

The NATIONAL UNDERWRITER

Life Insurance Edition

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This full page advertisement will appear in the Post of
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JAN 3 1941



WHAT BRINGS THEM BACK FOR MORE?

Over the entire period 1930 to 1940, approximately one-half of our total new business came from people who were already policyholders in The Northwestern Mutual

AND what, you may well ask, does this mean to me? Simply this: the fact that so many Northwestern Mutual policyholders come back for more is one good reason why your next investment should be in Northwestern Mutual Life Insurance. HERE'S WHY:

1st Because every repeat buyer is a testimonial from one who knows this company well. In the last decade 180,027 repeat buyers added over a billion dollars to their holdings of Northwestern Mutual Life Insurance. They have learned the scope of the Northwestern Mutual contract, the provisions to make a policyholder's dollars go farther. They have learned—as you can learn—that Northwestern Mutual insurance is low in cost. For instance, dividends apportioned to policyholders in 1939 equalled 25.5% of gross premiums.

2nd Because every repeat buyer is a testimonial to the constructive service of the Northwestern Mutual agent—service which assures arrangement of life insurance to meet individual needs, individual ability to save. The helpfulness of this service is shown by two records in which The Northwestern Mutual is, we believe, unsurpassed: (1) the proportion of business received from policyholders—approximately one-half; and (2) the fact that 96.6% of the insurance owned by those alive throughout 1939 was continued in force.

Among your friends it is likely there is a Northwestern Mutual policyholder—possibly one of these numerous repeat buyers. Ask him for his opinion of this company. Or, better yet, ask a Northwestern Mutual agent for facts on company, contract and cost to help you make your next life insurance step the right one.



We are **THE NORTHWESTERN MUTUAL**
MILWAUKEE, WISCONSIN

The first of 10 full page Post advertisements to be published this year

FRIDAY, JANUARY 3, 1941



*A friendly group
to join for steady
progress*



**The OHIO NATIONAL
LIFE INSURANCE COMPANY**

CINCINNATI, OHIO

T. W. Appleby, President

The NATIONAL UNDERWRITER

Forty-fifth Year—No. 1

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JANUARY 3, 1941

\$3.00 Year, 15 Cents a Copy

Report Progress on Two Educational Projects

Teachers Learn of Huebner Foundation, Collegiate Preparation for Selling

Developments in connection with two important life insurance educational projects were reported to those attending the annual meeting of the American Association of University Teachers of Insurance in Chicago. Those projects are the Dr. S. S. Huebner Foundation and the scheme to provide for a select group of college students to major in life insurance during their junior and senior years followed by internships and training in life insurance companies and agencies with a guaranteed minimum salary for at least the first year.

David McCahan of the University of Pennsylvania, who is dean of the American College and who is president of the University Teachers of Insurance, gave the news of both projects and in addition H. J. Loman of the University of Pennsylvania reported as chairman of the committee of the university teachers on collegiate preparation of life underwriters.

Huebner Foundation

Dr. McCahan recalled that the life insurance companies have agreed to contribute \$25,000 for a period of five years, this constituting the Huebner Foundation. About 60 percent of the proceeds, it is intended, will provide fellowships and scholarships primarily for those who are teaching insurance in various colleges and universities or who have been assigned to teach insurance courses. These men will study at the University of Pennsylvania. The fellowships, which are limited to those not more than 35 years of age, are for \$1,000 and the scholarships, limited to those not over 30 years of age, are for \$400.

Also a part of the funds will be used for publication grants for material for insurance education in colleges. This material would probably be of a type that is not put out on a commercial basis. It would include such work as research theses. Mr. McCahan asked for suggestions as to what type of material should be published in this connection. His question elicited few comments, however. Professor Dickinson of the University of Illinois suggested that some of the money be used to finance a journal for the university teachers of insurance.

Mr. McCahan said the third use of the funds would be to establish a circulating insurance research library. This would be particularly valuable to some of the smaller colleges that do not have access to certain text books.

Mr. McCahan explained that in a good many colleges, the dean may decide that

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VOUCHSAFE FOR US MORE OF THE SPIRIT Favors Life

Insurance Security Scheme Like FDIC

Havighurst, of Northwest- ern University, Gives Pro- vocative Talk to Teachers

THIS IS A DAY of extreme difficulty in reaching logical conclusions. It is a time when the world is sorely distraught, when the utmost inhumanity is being practised, when war is devastating the finest countries, when all the visible objects of civilization are being destroyed, when men have become demons and butchers utterly regardless of the sacredness of human life.

We see people of these various nations all praying to some god, each asking that the creator save its people and destroy the rest. We see members of the same communion fighting one another and we see pictures of bombed cathedrals and churches.

* * *

This situation very naturally has caused us all to be confused and bewildered. We do not know which way to turn, for we see those nations that have developed the highest civilization become fanatical in their war operations. Seemingly, all that the noblest have attempted to accomplish is being destroyed. We in this country have been vitally affected by the catastrophic conditions beyond both oceans. We see our own country becoming militaristic.

Unfortunately, these abnormal and inhuman conditions have developed for the most part a cynical people. We thrust aside the teachings of the past and the old landmarks are all fast disappearing. We are inclined to be indifferent and scoff at things sacred. We are skeptical of our own thinking. We are inclined to measure a person's achievements by the dollar mark. We have set aside the so-called old time principles on which our forebears so closely relied. It has become fashionable to be sophisticated.

* * *

In spite of this we should say that there is a tendency, however slight it may be, for the pendulum that has reached the extreme end to come back. People of today, of course, cannot believe all the teachings of yesterday. Some are very illogical, some seem almost grotesque, but in spite of it all, there certainly was something in the development of centuries that could be regarded as permanent and inspiring. One of the encouraging signs is that busy men and women are reaching back for the truth that was recognized. This tendency is gaining momentum because it seems to be in the mind of the common people. That is, we are not relying on the professional ecclesiastics, savants, prophets and idealistic writers.

Boiled down in simple terms, the tendency is to recognize the fact that after all there is some influence, some intelligence, some power, some strength that is greater than we are and which may be of help. For instance, a mariner in his craft, buffeted by the storm, looks for the light or beacon to keep him from the shoals. Similarly, we also look for the light and we reach out for the helping hand.

For instance, Irving Berlin's "God Bless America" has swept the land with almost fiery fervor because it has offered to the people an opportunity to express themselves in a way that they have not been able to for years and when they sing "God Bless America" they mean it.

* * *

In the recent annual meeting of the Association of Life Presidents in New York City some listeners endeavored to find a golden thread which might be leading to some significant trend. It came forth in a number of addresses and the feeling that the pendulum is swinging back very slowly toward some of the old fashioned virtues and teachings was strong. We saw it in the comment of the presiding officer, President L. A. Lincoln of Metropolitan Life. The thought certainly was evoked by C. Wayland Brooks, the new U. S. Senator from Illinois. It was very graphically and cogently expressed by the new president of Grinnell College, Dr. S. N. Stevens. We will pass by Rev. Dr. Fleming of Trinity Parish because we purposely exclude professional churchmen in order to show that this thought is manifesting itself in the minds of hard headed business men and clear thinkers outside the pale of the church. This thought came to a dramatic climax in the address of L. W. Brockington, counsellor to the war committee of the Dominion of Canada. He told about the spirit of the Canadians at this time, showing how a nation was being elevated to new stations, not physical but spiritual; that the Canadian people had reached new heights because of the manifestation of a spirit that is something far more than human.

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Creation of a federal life insurance security fund comparable to the Federal Deposit Insurance Corporation, extension of savings bank life insurance to other states and a system of life insurance to be operated in connection with federal savings and loan associations were advocated by Harold C. Havighurst, professor at Northwestern University school of law, in addressing the annual meeting of the American Association of University Teachers of Insurance in Chicago. At the same time, Mr. Havighurst stated that he does not advocate federal supervision of insurance nor does he believe that such a development threatens at the present time.

Two insurance leaders who had been scheduled to comment on Mr. Havighurst's paper, complimented him upon his study, but then turned on his proposal for a life insurance security fund. They were R. M. Clark, vice-president of Continental Casualty and Continental Assurance, and Col. C. B. Robbins, general counsel of the American Life Convention.

Life Insurance Failures

Mr. Clark said that life insurance company failures have been due to improper acts on the part of the management. He said that care should be taken that policyholders of good companies are not penalized. A premium should not be put on dishonesty and stupidity. Most company failures, he said, have not resulted in default in payment of death claims. Any security fund that is set up, he contended, should go no farther than guaranteeing death claims. He suggested that if there is a demand for such a scheme it be set up by states rather than by the federal government. He pointed out that there is precedent for such a procedure, citing the workmen's compensation security funds that exist in a number of states to take care of claimants for workmen's compensation benefits against failed companies. "Why not let the states try it out," he asked, "if, and as and when it is decided that such a move is wise." He pointed out that one of the virtues of state supervision is that experiments can be tried locally. If they prove successful they can be extended and if they are unsuccessful, then only a limited amount of disturbance has been caused.

Mr. Havighurst in his talk asserted that already as a result of the TNEC investigation, certain improvements have been instituted in the business voluntarily. Mr. Clark agreed that this had been done and cited two examples. He recalled that there had been some crit-

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Debate Value of Insurance Survey Course in College

The discussion of survey courses in insurance at the opening session of the convention of the American Association of University Teachers of Insurance in Chicago brought out a considerable difference of opinion as to what should be in such a course and as to its general value, although virtually everyone agreed that survey courses are often the best compromise which can be secured. J. A. Fitzgerald, dean of the school of business administration, University of Texas, presided at a panel discussion on this subject. The participants were Howard Berolzheimer, Northwestern University, E. A. Gaumnitz, University of Wisconsin, C. M. Kahler, University of Pennsylvania, and Joseph Pillion, Miami University.

Mr. Pillion opened for the negative, stating that his college has dropped survey courses and that he is opposed to their inclusion in a business school, although he feels they have some value for liberal arts students. He said that fundamentally schools of business are an outgrowth of economics departments. Following academic tradition, business schools have become departmentalized and specialized courses have been introduced until it is impossible to get in professional training without cutting down on basic subjects.

Gaumnitz Favors Survey Course

Mr. Gaumnitz spoke for the survey course, saying that Wisconsin considers it very successful. Students in all departments of the university are admitted to Mr. Gaumnitz's course on the same basis and no distinction is made between those who contemplate insurance as a career and those who do not. The only policies discussed in his class are the standard fire insurance policy of Wisconsin, the automobile policy and an ordinary life policy of a representative company, with values and options worked out for an assured 21 years old at date of issue. For subsequent courses in life, fire or casualty insurance or suretyship, Mr. Gaumnitz recommended keeping the subject matter general, on the theory that the insurance companies can give their agents and employees specialized training, whereas the college can furnish a background education which no company can do.

Objectives of Survey Course

Mr. Kahler said that the survey course of the University of Pennsylvania is open to general business students and those intending to specialize in insurance. For students not intending to enter the insurance business, his course aims at providing an important part of business fundamentals, teaching persons how to buy insurance and use the services of carriers, giving them material to use in the choice of a career and providing background information for persons interested in public affairs and social sciences. For those intending to specialize in insurance, the course aims at providing a background of fundamentals for advanced insurance subjects.

Mr. Berolzheimer said that the great trouble with survey courses is that few students have a clear idea of what they want to do after graduation. Northwestern gives elementary courses in both life and property insurance and Mr. Berolzheimer took the position that it does no harm to repeat much of the fundamental matter in both courses, even for students who take both.

Blanchard's Courses Evolved

R. H. Blanchard, Columbia University, said that he has gone through three stages in working out his courses. First, he gave specialized courses in life, fire and casualty insurance. Then he gave an introductory or survey course in general principles of insurance, but he said he was never satisfied with it, because he could not make it realistic. Dr. Blanch-

ard now regards his courses as functional and does not specialize in any subject. He gives a two-year and a three-year course, covering approximately the same general field of insurance in each, but the longer course goes into the various aspects of insurance much more deeply.

Robert Riegel, University of Buffalo, past president of the association, said he thinks the trouble with survey courses is not peculiar to the insurance business, but that the clash of desires of different professors, departments and students runs all the way from elementary school to graduate work and that all general courses must be a compromise. He said that in his opinion the insurance business is not crystallized to the point where a course in general principles can safely be given as applying to all phases.

Public Attitude Improving

It was brought out in the discussion that a fair proportion of students take insurance courses with the preconceived idea of getting as much "dirt" on the insurance business as possible. Many of them come into class with a memorized knowledge of books on the insurance "racket." The consensus was that, while it is not an insurance teacher's duty to indoctrinate students, a proper explanation of the background of insurance, its place in the economic sphere and the services of insurance companies has done much to dispel these ideas. Dean Fitzgerald said that in his opinion the current generation of college graduates is far more sympathetic to insurance than was previously the case and that there will be much more voluntary buying of insurance in the next 10 years.

The so-called "consumer economics" courses given in many schools were severely criticized for their attitude toward insurance. Several educators declared that the text books used in these courses are written by persons with no understanding of insurance and that just enough class time is devoted to insurance to do a great deal of harm and to give students many erroneous ideas. All agreed that insurance should be left out of these courses.

Vouchsafe for Us More of the Spirit

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On Sunday of convention week Professor William Lyon Phelps of Yale officiated in Community Church in New York City which, by the way, is the same auditorium used by the famous Town Hall meeting of the air. Professor Phelps is very unconventional as witnesseth the fact that he wore the lightest colored cloth suit we have ever seen which certainly would be in sharp contrast to the usual black of the pulpit. Professor Phelps is not interested in the habiliments of the church, its celebrations, liturgy or traditions only as they represent a moving pageant and magnificent symbolism. He has what he calls a skeptical, inquiring mind and will not accept as truth any statements that have not been proved. He seeks rather the core, the substance, the reality. He said in his sermon that he had long been convinced that to men came revelations of various kinds from some superior source.

In response to this sentiment we of THE NATIONAL UNDERWRITER ask you to join us in what may be termed a prayer or more appropriately, a wish—a message or an expression.

* * *

Give us a discerning eye so that we may more clearly see our duty and then have courage to do it; may we cling only

Heads Host Association for N. A. L. U. Mid-year



WM. NICHOLLS, JR.

William Nicholls, Jr., president of the Wichita Life Underwriters Association, host at the mid-year meeting of the National Association of Life Underwriters in Wichita March 28-29, is Kansas general agent of the Penn Mutual, with offices in Wichita.

President Nicholls already has appointed Lee Wandling, Equitable Society district manager and president of the Wichita General Agents & Managers Association, as general chairman and Bert A. Hedges, Kansas manager Business Men's Assurance, as publicity chairman.

Justus Johnson Gets Call in Illinois Situation

One of the many men in Illinois who is being mentioned as the possible next insurance director of that state, is Justus L. Johnson of Aurora. Some influence is being exerted in his behalf. Mr. Johnson was candidate for secretary of state on the Republican ticket this fall but was defeated. He has been clerk of the Illinois appellate court, second district, since 1920. This embraces 32 counties. As clerk his headquarters are in Ottawa but his home is in Aurora. He is president of the Illinois Mortgage Corporation at Aurora. He was formerly editor of the Aurora "Beacon." In his earlier days he was a life insurance salesman. He has considerable familiarity with fire and casualty insurance, through the agency operations of the Illinois Mortgage Corporation.

to the substance and not the shadows; let us always have a sane mind that will keep us more clearly in the center of the road; may we recognize always those virtues that have made America great and help us to keep her great; may we espouse those verities that have been tested by the ages and are found to be permanent; give us a truer understanding heart and inspire in us the spirit of tolerance; in this day of giving and receiving may we find more satisfaction in giving; In our contacts with our family, our friends, our social circles, our business activities and especially our own business family may we seek to contribute more to the happiness of others; as we turn our eyes upward to the stars may we recognize majesty, government and harmony of the spheres; as we peer out into the vastnesses of space which is infinite may we keep our feet, solidly on the mooring places of TRUTH, SYMPATHY, STRENGTH, TOLERANCE, BEAUTY; and as we go forward may we rather light to scatter.

—C. M. C.

Business Increase in Coming Year Is Predicted by Kemp

To an unusual degree the coming year presents many definite certainties to which the man in business may direct his attention with assurance, President A. N. Kemp of Pacific Mutual Life declared in a new year message.

There is assurance in regard to the enlarging volume of business that will be transacted this coming year. The wheels of industry will turn at an accelerated pace, employment will increase, and greater tasks will be performed through progress in science and invention. With a considerable degree of positiveness the coming year may be said to promise activity, production and velocity.

On the other hand, continuing low rate of return on money, increasing taxes and added expense in the cost of doing business can be expected. These are factors with which every institution is concerned and their study is essential in the formulation of plans for the future.

Expect Increases to Continue

In life insurance it seems probable that the increases which were experienced during the latter part of 1940 will carry on into 1941. People are "security conscious." They are thinking more of protection for the future and what it involves than at any time within a generation. There is no doubt that this attitude, in part, derives from the activity of the government in the field of social security and, perhaps even more, from what is so desperately obvious in other parts of the world where the opportunity of the individual to prepare for the future has been denied.

"Since we find in the business outlook so many factors about which we are sure, it follows that a lesser number of uncertainties exist," Mr. Kemp pointed out. "The strategy then for 1941 should be a concentration upon those remaining elements, to the end that they may receive the benefit of an undivided effort toward a satisfactory solution of the problems they present. This calls for a deeper devotion to the task at hand with keener thinking and more intelligent planning. Business will successfully attack this salient, and, with the revitalized energies of commerce and industry, the goal will be attained.

"The greatest asset possessed by any organization is the will to do. American business has that asset."

C. M. Cartwright Expects to Reach Home This Week

NEW YORK—Dr. Jacob Cohen, medical adviser of C. M. Cartwright, managing editor THE NATIONAL UNDERWRITER, who has been confined to his bed at the Waldorf-Astoria since he suffered a severe abdominal attack Dec. 8, stated early this week that he hoped his patient would be able to travel home toward the latter part of the week. Mr. Cartwright will go directly to his home at 2215 Lincoln street, Evanston, Ill. and later have some laboratory tests made. It is likely to be some time before he can be at his office.

Stephenson Speaks in Pittsburgh

Gilbert T. Stephenson, Equitable Trust Company, Wilmington, Del., director of trust research of the American Bankers Association, will speak at a dinner Jan. 13, sponsored by the Pittsburgh Life Insurance & Trust Council. Invitations have been sent to members of the Agency Committee, the Supervisors Club, C. L. U. chapter, officers and directors of the Pittsburgh Life Underwriters Association and the Corporate Fiduciaries Association of Allegheny County.

N. Y. Nonforfeiture Bill May Stymie Guertin Proposal

Demands for Action to Eliminate Change After 15th Year Indicated

NEW YORK—The prospect that the New York department's committee on nonforfeiture benefits may go ahead and submit a proposal to the legislative session now getting under way has disturbing implications for hopes of a nationwide solution to this problem through the efforts of the special committee of the National Association of Insurance Commissioners.

When the commissioners committee, headed by A. N. Guertin, actuary New Jersey department, held its hearing recently in New York City, Associate Actuary Maximilian Hollenberg of the New York department, chairman of the department's nonforfeiture committee, made the bare statement that the department might have to go ahead and submit a program at the approaching session of the legislature. He did not amplify it nor was there any comment on it but those who recalled the strong agitation there has been in New York for reducing surrender values realized that because of the number and size of companies subject to the New York insurance law the Guertin committee proposal would face stormy sailing and perhaps be rejected in all but a few states if it conflicted with what was adopted in New York.

What New York Seeks

The present New York law permits a surrender charge of \$25 per \$1,000 of face amount throughout the life of the policy. The New York department wanted to get this changed so that the surrender charge would be completely eliminated by the tenth year. Herbert Feay, the department's associate actuary, was the most vigorous advocate of reduction in surrender charges. He acted as actuary to the joint committee on insurance law revision of the New York legislature. This was the committee of which R. Foster Piper was chairman before his election to the New York supreme bench.

Mr. Piper was strongly in favor of reducing surrender charges and eliminating them by the tenth year but he was also reasonable and disposed to work out practicable compromises. For example, he agreed to letting the surrender charge run 15 years. There is no indication that any of the others influential on the committee have changed their views to an extent which would give any hope for the Guertin proposal.

Conflict With Guertin Proposal

The conflict arises from the fact that the Guertin committee proposal while specifying minimum cash values which are too liberal for the liking of many of the smaller companies does not go far enough to satisfy those who want changes made in New York. Furthermore, it would be surprising in view of what has been discussed in New York if the department committee acceded to the Guertin committee's proposal to divorce policy valuation from nonforfeiture benefits, for under certain conditions this separation would result in higher permissible surrender charges than under the present New York law.

At a previous session of the New York legislature a bill was introduced which would have eliminated the sur-

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Pittsburghers Put Forth Furey for N.A.L.U. Post



W. R. FUREY

At a special meeting the directors of the Pittsburgh Life Underwriters Association officially endorsed W. Rankin Furey, general agent of Berkshire Life, as a candidate for trustee of the National Association of Life Underwriters. Mr. Furey is a member of an old insurance family, either he or his father having continuously represented the Pittsburgh association in the national council for the past 27 years. The late William M. Furey was trustee of the National association for many years and also served as chairman of the executive committee.

Mr. Furey is seeking the seat of William M. Duff, whose term as trustee will expire in September, 1941.

Canadian in Force Total at New High

TORONTO—Canada's 3,500,000 policyholders continued to express confidence in life insurance as a bulwark of individual and national security during 1940, according to N. J. Lander, president Canadian Life Officers Association and managing director Continental Life of Canada.

Despite 12 months of war and the increasing pressure of taxation, life insurance in force in Canada reached a new high of over \$7,000,000,000. New sales were only a fraction of 1 percent under those for 1939, totaling well over \$600,000,000.

Pays Out \$165,000,000

Canadian policyholders and beneficiaries were paid an estimated \$165,000,000 in 1940, of which some \$47,000,000 was paid in death claims. Mr. Lander points out that were it not for the savings represented by life insurance, the danger of many people becoming burdens upon the state would be greatly increased. Thus the payments constitute a contribution to public welfare which continues to run well in excess of the total paid by federal, provincial and municipal governments for unemployment and other relief.

"As in 1914-1918, life insurance stands foursquare against all the winds that blow. In these days, when so much is heard of home defense, it is well to remember that, economically speaking, life insurance continues, as in the past, to be the basis of financial security for millions of Canadian men and women."

A large share of the success of launching and continuing the nationwide sale of war savings certificates must be credited to the voluntary efforts of life insurance men. They have given unstintingly of their time especially in the development of the employer-employee cooperative war savings plan.

University Teachers Hold Annual Parley in Chicago

Discuss Several Projects of Interest to Both Life and Property Insurance

Dr. David McCahan, University of Pennsylvania, was elected president for a second time as well as Dr. Edison L. Bowers, Ohio State University, vice-president, and Dr. C. A. Kline, Univer-



DR. DAVID McCAHAN

sity of Pennsylvania, secretary-treasurer, at the annual meeting of the American Association of University Teachers of Insurance in Chicago.

Dr. J. Anderson Fitzgerald, dean of the School of Business Administration of the University of Texas, was elected to the executive committee for an unfilled term expiring in 1942, and Wade Fetzter, Jr., of W. A. Alexander & Co., Chicago, was elected to the executive committee for a full term expiring in 1943. Mr. Fetzter is a member of the executive committee of the National Association of Insurance Agents.

After considering the interest expressed by various leaders of property and casualty insurance in the establishment of professional standards of education, the association adopted a resolution to endorse in principle the establishment of professional standards for property and casualty insurance and expressed their willingness to cooperate in an advisory capacity with representatives of the insurance institution in attainment of this goal.

Insurance Survey Courses

At the morning session the teachers had an interesting discussion of insurance survey courses in colleges. At the luncheon reports were made on the progress in connection with two projects of special interest to life insurance. They are the S. S. Huebner Foundation and the program jointly undertaken by the Association of Life Agency Officers, American College of Life Underwriters and University Teachers to provide for a select group of students to major in life insurance during their last two years in college and then to be taken over by life insurance companies and agencies for a year's internship and training in techniques with a minimum salary guaranty for a year, these men to be directed to a career in life insurance selling.

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CONTRASTING CASES

Two cases in contrast, one with the protective prepayment, the other with procrastination:—

The first applicant, a 16 year old lad, made prepayment with application and was examined the same day. The very next day, riding his bicycle while making deliveries for a drug store, he skidded into a truck, and died the following morning in a hospital. The notice of death arrived at the home office before the application and examination could be approved. But the application went through routinely, and since the examination was satisfactory, the claim was paid at once.

The second case was that of a college freshman whose father wanted to start an insurance program for him. Ordinary Life insurance was issued and the applicant's father stated that he was sure the son would accept the policy and, in fact, would probably order an additional contract. The father deferred definite action, in spite of the agent's efforts, for two weeks. Within that time the applicant was killed in an automobile accident and since there had been no prepayment there was no insurance protection in force.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Urges Companies to Seek Right Kind of Social Insurance

Abraham Epstein Says Best Type Competes Least With Private Coverage

NEW YORK—The closer social insurance comes to fulfilling its real objectives the less it conflicts with private insurance. Hence, for its own protection as well as general considerations of social welfare insurance companies would do well to make an intensive study of what should be the proper respective spheres of social and private insurance and then take a definite and aggressive stand on the question, according to Abraham Epstein, executive secretary American Association for Social Security.

Mr. Epstein has been a vigorous critic of insurance companies, having written "The Insurance Racket" for the "American Mercury" 10 years ago. But as a member of the advisory group aiding the Piper committee of the New York legislature redraft the laws governing industrial insurance, Mr. Epstein fought just as valiantly against the complete outlawing of industrial, as desired by some members of the committee.

Complements Private Insurance

Soundly conceived social insurance, according to Mr. Epstein, complements private insurance but competes hardly at all with it. On the other hand, half-baked social legislation based on principles which are perfectly proper in private insurance but not in social insurance, tends to give the most aid to those who need it least and who can afford to buy regular insurance, while giving the least aid to those who need it most because they are unable to make contributions in line with the cost of the benefits.

Unemployment insurance, as at present constituted, is a splendid example of the wrong kind of social legislation, for it ignores the basic principle that social insurance shall recognize social need. Instead it attempts to follow the principle of individual equity, that is, that the benefits promised each participant are in accordance with the contribution he has made. This principle is necessary in private insurance, which, not being compulsory, must come as close as possible to individual equity if it is to attract policyholders.

The system of federal old-age benefits comes much closer to what social insurance ought to be in the light of sound principles, though before the amendments of a year ago it was open to the same objection as unemployment insurance in being based on individual equity rather than social need.

To be correct in principle the unemployment section of the law should base benefits on the social need. This would mean paying out to the lowest income groups relatively more in proportion to contribution than to those getting higher incomes. It would mean paying more to those with dependents than to those who are single, graduating the scale according to the number of dependents. The guide should be social adequacy, not the amount of the contribution. Furthermore, Mr. Epstein believes that all present federal social insurance plans are wrong in providing benefits for those clear up the salary scale. There is no reason, he holds, why a man making \$10,000 or more a year should receive social security benefits.

Unemployment insurance, being based



AT MEETING OF AMERICAN ASSOCIATION OF UNIVERSITY TEACHERS OF INSURANCE IN CHICAGO:

Above—Ivan Snyder, Mutual Life of New York, Indianapolis, and F. R. Niehaus, University of Colorado.

Below—Robert Riegel, University of Buffalo, and Ralph H. Blanchard, Columbia University.

too largely on considerations of individual equity, pays out large sums to persons who are far enough up the salary scale to have made their own emergency accumulations, or at least to have little use for the relatively small amounts they received as unemployment compensation. At the same time the worker at the lower end of the salary scale who is thrown out of work gets so little—because he has contributed little to the plan—that the sum is of scant use to him. "What good is \$7 a week to a father of six?" Mr. Epstein asked.

Another glaring fault of the unemployment insurance system is that it is split up into 51 separate collecting agencies instead of the federal government collecting this tax at the same time as it collects the tax for old-age insurance, and then turning the money over to the states on a grant-in-aid basis. In spite of the wasteful duplication of effort that the present unemployment collection plan involves it will be difficult to change the system, Mr. Epstein believes, if only because there are some 35,000 employees in all these state offices who will fight any attempt to legislate them out of jobs.

The imminence of attempts to get national and/or state health insurance systems is an immediate reason why the insurance companies should study social insurance, decide what the respective fields of private and public insurance should be, and then work for the best possible system of social insurance, Mr. Epstein warned. For example, there is no reason why socialized health insurance programs should provide benefits for those who are able to buy private insurance, yet if insurance companies do not approach the problem constructively they are likely to find compulsory health insurance proposals being enacted which cover the entire population, millionaires and all.

The principle of having a social insurance program cover the entire income range is an American invention. No European system has it. Mr. Epstein sympathizes with the motive behind the American plan, which is first to avoid class distinction and second to make sure that even a currently wealthy person, now able to accumulate his own protection funds, does not later become destitute and dependent on private or governmental charity. Mr. Epstein doesn't think much of the latter reason.

Suggest Fees for Work on Substantial Cases

Idea Is Advanced Because Much Programming Effort Goes Unrewarded

NEW YORK—"Too busy" is familiar as an alibi but today it is being encountered as an entirely sincere statement from many prospects because of the general business upturn. Later on this upturn may result in more sales. Agents, particularly those doing a substantial business, say that they have never had so much trouble getting people to sit down and seriously consider adding to their life insurance.

Nearly every one of these cases has involved preliminary work covering months of checking, auditing, programming, writing letters on change of beneficiary, and also calls on the prospect. The larger producers usually have a number of such cases in the mill all the time. The cases culminate in closed business in a manner which on the average is fairly predictable. The present intensive preoccupation of prospects and clients with their own business has thrown this orderly progression of life insurance cases out of kilter. Since these big producers need time in order to work up their usual case it is not a condition that can be remedied over night.

More Information and Work Required

Partly responsible is the vastly greater amount and complexity of information and work involved in the typical substantial case. This has been increasing for some time and the present situation merely serves to show how much work is done to earn the commission on a large case. Frequently it results in no business whatever from the man for whom the work is done, although usually there are rewards in the way of new contracts with possible prospects among the first prospect's friends.

Some prominent producers are talking about the possibility of establishing a fee basis for this type of work, since it has become so highly specialized. One prospect took the initiative in this respect. He knew a lot of work would be involved. He wanted the agent—a million-dollar producer—to tell him what he would charge for doing the job. The agent had to confess that he had no idea what he ought to charge or even what basis to use. Frequently what the agent does results in substantial immediate cash savings to the prospect. The prospect appreciates what is being done and is entirely ready to pay a reasonable compensation, just the same as he pays his lawyer for work and advice.

With new tax legislation applying to a broader field of prospects than before and taking a more important role in the life insurance picture it would not be surprising if agents were to seek some sort of fee basis to supplement their commissions or at least to compensate them for their work when months of effort result in little or no business from the man for whom the work is done.

As for avoiding class distinctions, he confesses that 10 years ago he pool-hooped this argument too, but that today he is not so sure that any price is too high to pay to avoid class cleavages. But no matter how admirable the practice of paying benefits even to the wealthy may be, it adds heavily to the cost, not only in benefits but in overhead, he contends.

Inflation Discussed in New Booklet

So many and varied have been the definitions and interpretations of the term inflation and the views as to its possible effects upon life insurance, that Abner Thorp, Jr., editor of "Diamond Life Bulletins," has written a booklet on "Inflation and Life Insurance," which has been published by THE NATIONAL UNDERWRITER. It is in pocket size, of 32 pages, and is a sincere attempt to explain what is meant by inflation, what chance the United States has of going into an inflationary period, what are the possible hedges against it and how they work, and what life insurance offers in this connection. Sample copies were sent to all subscribers of the "Diamond Life Bulletins" and there has been a heavy demand for the booklet which indicates that agents, general agents and managers are finding it extremely useful in presenting copies to prospects, policyowners, attorneys, trust officers, etc., who have raised the question of inflation, or may do so.

Takes Up Three Types

The three types of inflation—devaluation, printing press money and credit—are briefly discussed, as also are the possible effects of defense production.

"Some readers may say that the possibility of inflation is enough to justify them in trying to hedge against it," the booklet comments. There are then discussed the possibilities of bonds, common stocks, real estate and farms, commodities and life insurance.

The booklet concludes "Buy all the life insurance you need, which is the best hedge over a long period, and then invest the other portion of your surplus as you will. If your investments prove successful your life insurance will be so much velvet. If your investments are not profitable, then your life insurance will provide a guaranteed security for you and for your family when it is most needed."

Various eminent authorities are quoted, among them a distinguished investment man, who said, "The real danger is the misleading conclusion drawn from the fear of something that is not likely to happen. I have seen widows advised to dump good bonds and go into highly speculative common stocks. I have seen men advised to drop their life insurance and I have seen people die without adequate protection. I have come to believe that it is a thoroughly vicious doctrine which has induced people to depart from everything that is sound in investment."

"Inflation and Life Insurance" is priced at four copies for \$1 and may be secured by addressing THE NATIONAL UNDERWRITER, 420 East Fourth street, Cincinnati, O.

Honored in Sales Contest

ST. LOUIS—In connection with the contest sponsored by the sales managers bureau of the St. Louis Chamber of Commerce, 50 star salesmen from 50 local business organizations were presented distinguished salesmen awards. Among the winners were these life insurance men: William Cusick, New York Life; J. M. Barker, Connecticut Mutual Life; Fred Sale, General American Life; V. H. Koch, Highland, Ill., Guardian Life; Leo Kohl, Northwestern Mutual; W. A. Grat, New England Mutual; P. M. Ludlow, Prudential; and E. J. Reilly, State Mutual.

Michigan Leaders Seek Members

DETROIT—A plea to Michigan general agents and managers to report producers of \$250,000 or more during 1940 to the Life Leaders of Michigan is being urged by Chairman J. L. Schuster, Penn Mutual, Grand Rapids. All quarter-million producers are eligible to membership in the Leaders. G. E. Lackey, general agent Massachusetts Mutual in Detroit, Leaders' chairman for Detroit, has issued a similar appeal

to all members of the Associated Life General Agents & Managers of Detroit. Qualifications include paying for \$250,000 or more of regular business exclusive of brokerage placed in the applicant's name by another underwriter, on at least 10 different lives. A schedule of credits has been worked out for single premium and annual premium annuities and group.

Schedule Meetings in Toronto

The annual general meeting of the Life Underwriters Association of Canada will be held Jan. 18 in Toronto. The Canadian Life Insurance Officers Asso-

ciation will hold its annual meeting also in Toronto and tentative dates arranged are May 29-30.

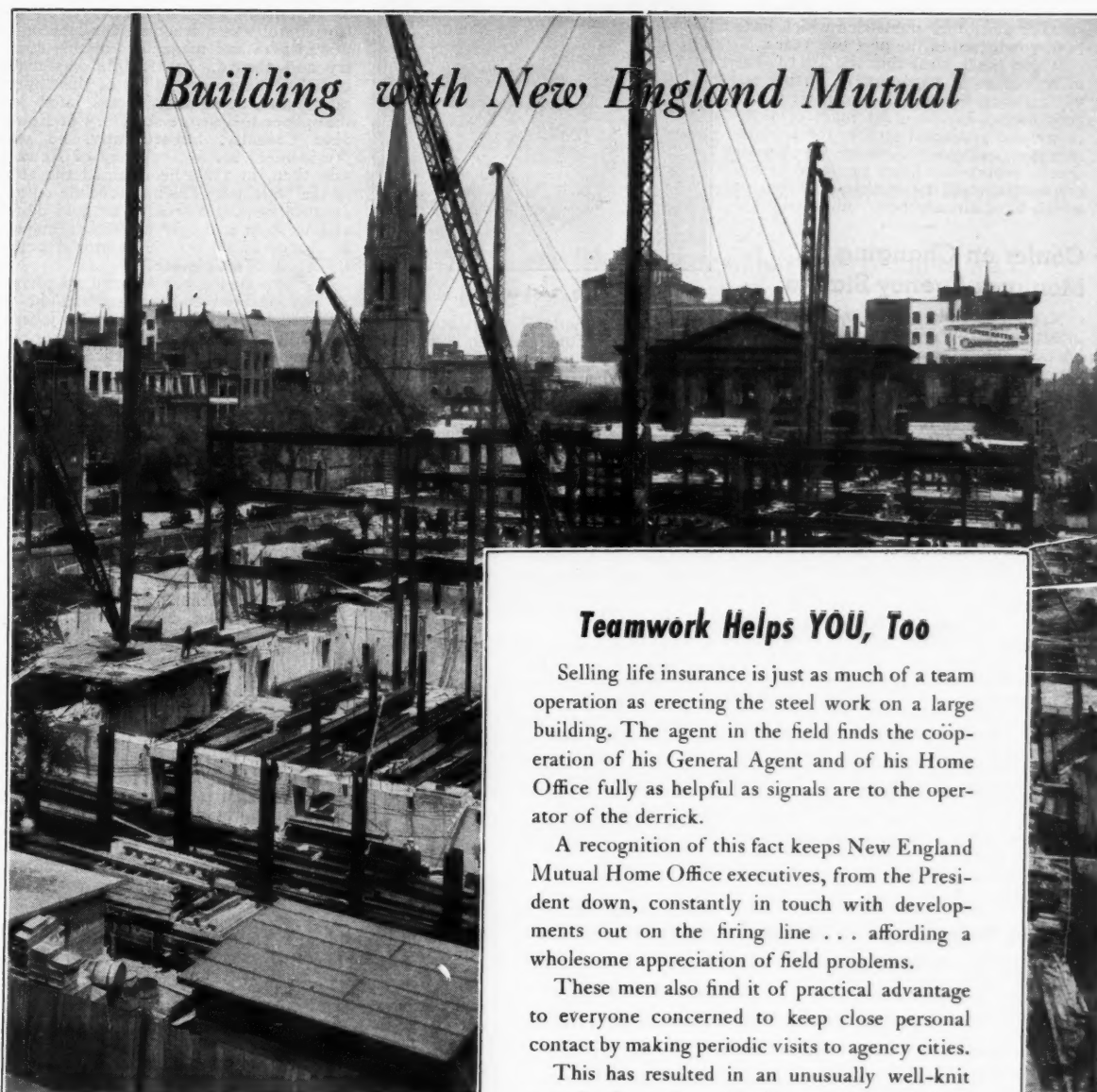
O'Meara Enters Private Practice

Joseph O'Meara, Jr., associate counsel Western & Southern Life for 15 years, has entered private law practice with the firm of Merland, O'Meara, Santen & Willging, First National Bank building, Cincinnati, but continues to act as attorney for the company. He will specialize in insurance, taxation and corporate matters. Mr. O'Meara is also associated with the Columbus law firm of Dargusch, Caren, Greek & King. He

is secretary of the legal section of the American Life Convention.

Mr. O'Meara is a graduate of Xavier University, studying law at the University of Cincinnati college of law and the law schools of Columbia, Cornell and Yale. He began practice in 1921.

Miss Elizabeth Faber Fischer, daughter of Chester O. Fischer, vice-president Massachusetts Mutual Life, was married to Ernest A. Johnson, Jr., in the First Baptist Church, Peoria, Ill. Following a motor trip to Chicago and New York, they will be at home in Cambridge, Mass.



Building with New England Mutual

Teamwork Helps YOU, Too

Selling life insurance is just as much of a team operation as erecting the steel work on a large building. The agent in the field finds the cooperation of his General Agent and of his Home Office fully as helpful as signals are to the operator of the derrick.

A recognition of this fact keeps New England Mutual Home Office executives, from the President down, constantly in touch with developments out on the firing line . . . affording a wholesome appreciation of field problems.

These men also find it of practical advantage to everyone concerned to keep close personal contact by making periodic visits to agency cities.

This has resulted in an unusually well-knit organization whose loyalty to New England Mutual is only matched by its enthusiasm for the Company's remarkably liberal* policy contracts.

**For instance, paid-up and extended insurance have cash values and pay dividends.*

This photograph, taken in July, 1940, shows the steadily rising steelwork on New England Mutual's new Home Office building, which will be occupied later this year.

NEW ENGLAND MUTUAL Life Insurance Company of BOSTON

GEORGE WILLARD SMITH, President

★ FIRST MUTUAL LIFE INSURANCE COMPANY CHARTERED IN AMERICA ★

Continue TNEC Briefly, So It Can Make Reports

WASHINGTON—Extension of the life of the Temporary National Economic Committee until April 1 has been granted by Congress in order that the group may have time to prepare a report which was delayed by the political campaign and elections.

Requesting the extension of time, Chairman O'Mahoney explained that many members of the committee have had to be absent from Washington for much of the time and these delays have prevented the completion of a full report on the lengthy investigations of the insurance and other industries which have been conducted in the past two years.

It was made clear that the TNEC has no intention of engaging in further investigations, but will devote itself to the compilation of the great mass of testimony and statistical studies for submission to Congress. A large number of special reports are being prepared by the committee staff, more than a dozen of which have already been published.

Confer on Changing Montana Agency Statute

Numerous conferences are being held in Montana to decide what form of legislation the insurance interests should sponsor to replace the famed counter-signature law of that state which requires that the resident agent receive the full commission on Montana risks and which prohibits the resident from dividing his commission with the non-resident who controls the business. The life insurance people are being consulted because the law applies to life insurance as well as fire and casualty. There is considerable sentiment in favor of divorcing life insurance legislation in this connection from fire and casualty.

The Montana State Association of Insurance Agents has submitted to the legislative committee of the life underwriters' association a proposal that the present law be amended so as to apply to life insurance only if the life insurance people want to have the law continued. If the life insurance interests do not want the present law, then the Montana State Association of Insurance Agents would work toward the repeal of the law in its entirety and would sponsor a new law satisfactory to the fire and casualty interests. If the life insurance people want to sponsor a separate law of their own, the fire insurance agents propose to cooperate.

Johnson Boom Wanes in Minnesota

ST. PAUL—Since Governor Stassen has not announced his choice of a new insurance commissioner some doubts are being raised as to whether he has definitely made a selection. It was thought that Newell Johnson, Bemidji local agent, had been offered the post. However, Mr. Johnson's prospective appointment has not met with favor in certain quarters. Consequently, Mr. Johnson has been loath to accept the appointment as he has a profitable agency and the \$4,500 salary as commissioner would actually mean a financial sacrifice on his part.

Although Mr. Johnson is general agent for the Minnesota Mutual Life his fire and casualty connections are entirely with stock companies. Mutual companies have expressed no choice for commissioner but favor selecting a man not directly associated with the insurance business. Some leaders among stock company interests take the same view.

Zell Stages Christmas Party

Zell Products Corporation, New York, manufacturers of calendar banks, book banks and other insurance selling aids, held a Christmas party for some 325 employees. D. H. Zell, president, was honored guest. Also singled out for testimonials were a number of employees and executives who have been with the company for many years.

Lincoln National's Top Agency Marks 20th Year



O. D. DOUGLAS

The O. D. Douglas Texas state agency of Lincoln National Life is celebrating its twentieth anniversary Jan. 8. During 98 of the past 99 months it has ranked first among all agencies of the company in paid production. The agency now has more than \$55,000,000 of life insurance in force and is represented by 66 full time agents. During the past five years, death claims totalling more than \$1,700,000 have been paid on business sold by this agency.

The agency is conducting a sales contest during January. Specially overprinted applications commemorating the anniversary are being used and an effort is being made to establish a new monthly all time high.

J. L. Lawrence, associate state general agent and cashier; D. E. Peavy, district agent in Beaumont; L. J. Perkins, district agent in Laredo, and C. B. Rittenberry, district agent in Amarillo, have been affiliated with the agency since its first year and are laying special plans for the contest. Mr. Peavy and Mr. Rittenberry are second and third ranking members respectively of the company's consecutive weekly production club. Mr. Peavy has 1,006 weeks and Mr. Rittenberry, 903.

Neb. Won't Join Presidents' Move

LINCOLN, NEB.—The Nebraska department has declined to join the Life Presidents Association in asking the legislature to amend existing laws so as to meet the situation as to aviation restrictions in the incontestable clause that arose out of the Nebraska supreme court's decision in the Republic National Life case. It was argued by the Life Presidents' representatives that this decision would force them to decline all war risks involving service in the aviation corps.

John S. Logan, department attorney, said he is opposed to the proposal to restrict liability on policies carried by civilians killed while in the war zone. He said that in the case of the men called to service the government would assume the risk relinquished by the companies, whereas the civilian would have no such protection.

Roesch Becomes Managing Editor of the "Spectator"

W. E. Roesch, known in insurance circles for the past 18 years, has been promoted to managing editor of the "Spectator." The promotion follows a period of about five years during which he has been field editor and western manager for the "Spectator."

Mr. Roesch, a native of New York City, was educated at Holy Cross College and joined the "Spectator" in 1923 after having been transportation engineer of the New York Edison Company. During the first world war he served as captain in the English Royal Flying Corps and was a frequent contributor to newspapers and magazines in this country and abroad. In 1925 he was made casualty and surety editor of the "Spectator" and, some three years later, left that paper to become secretary of Equitable Casualty. Subsequently, he was president of M. & S. agency of Newark and then, in 1933, he rejoined the staff of the "Spectator" as an associate editor. In 1935 he was advanced to field editor and western manager and has remained in charge of all the "Spectator's" activity in that area since.

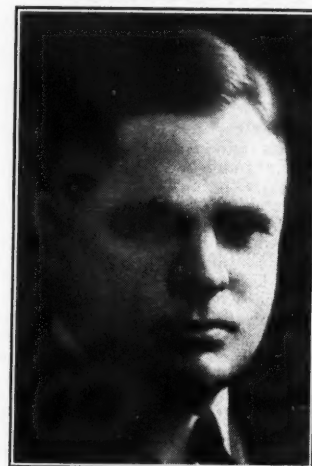
His experience has covered all phases of the insurance business and he is believed to be the only insurance journal executive who has served as editor, insurance agent and insurance company official. He now takes the post vacated by the resignation of R. W. Sheehan, who has resigned from the "Spectator" to join the headquarters organization of the National Association of Insurance Agents.

Liquidation Jurisdiction for Nebr. Department Sought

LINCOLN, NEB.—In a letter to Governor Cochran detailing the work of the Nebraska department the past five years, John S. Logan, department attorney, points out the necessity of legislation, in case the supreme court holds that no such power now exists, to give the department first jurisdiction over controversies of policyholders with companies. Mr. Logan points out that in handling the Lincoln Hail liquidation the department was able to secure a return of 84.6 percent to policyholders, while in the matter of the liquidation of the Pacific States Life of Denver by judicial receiverships, only \$4,584 was secured for Nebraska policyholders whose claims for surrender values and death losses totaled \$1,008,672. Ancillary receiverships were set up in each of the states in which the company operated except Nebraska, which has no such law, and where it had been required to put up securities. In each case the securities in the respective states were subject to liens of resident policyholders, leaving little for the general receiver. Nebraska policyholders were numerous because the Pacific States had taken over three small Nebraska companies.

C. V. Lichty of the Harrisburg, Pa., agency of the Ohio State Life and Mrs. Lichty were presented a silver loving cup on their 62nd wedding anniversary. They were the oldest couple at a golden wedding dinner in the campus house at Franklin & Marshall College, Lancaster, Pa. Dr. John A. Schaeffer, president of the college, presided at the dinner.

Great-West Director



G. H. AIKINS

Colonel G. H. Aikins has been elected a director of the Great-West Life. He is a lawyer and is also president of the Manitoba Sugar Beet Company and a director of the Imperial Bank of Canada.

Moving Pictures Admissible as Evidence in Miss. Courts

JACKSON, MISS.—Moving pictures may be admitted as evidence in Mississippi courts according to the state supreme court, which reversed a Jones county circuit court decision against Metropolitan Life and in favor of Reed Wright, who sought to collect under the permanent disability clause.

The company sought to introduce moving pictures showing the plaintiff at work shoveling gravel, but although the judge viewed the film in private, he would not permit the jury to see it. The plaintiff introduced medical evidence to show he was suffering with hardening of the arteries and that he was doing "light work" for the WPA.

The supreme court opinion said: "Motion picture evidence, while novel, is admissible when the accuracy with which they will reproduce the scene photographed is proven. We are not dealing with a picture of a scene reconstructed and staged for the purposes of the picture by actors according to their recollection of the original, as to the admissibility of which we express no opinion."

Cronin with Mutual Life

NEW YORK—J. K. Cronin, head of the management division of real estate department of the Bankers Trust Company of New York City, has resigned to join Mutual Life's real estate department. He has been with the bank seven years. A vice-president of the National Association of Building Owners and Managers, Mr. Cronin has served on many committees, and, as head of the local managers' division, was largely responsible for the success of the convention here last summer of the National association, which was the best attended meeting in the association's history.

Report on Air Travel Attitude

Of the 26 companies contacted by the Air Transport Association on their attitude towards coverage of policyholders who are patrons of scheduled air lines, it was found that ten companies impose no restrictions. In addition to those already announced, the Minnesota Mutual Life has been added to this list. Twelve companies require that the policyholder's air travel be not excessive, one has as yet issued no policies to air travelers for the full amount of its maximum published limit and three do not wish to make a statement.

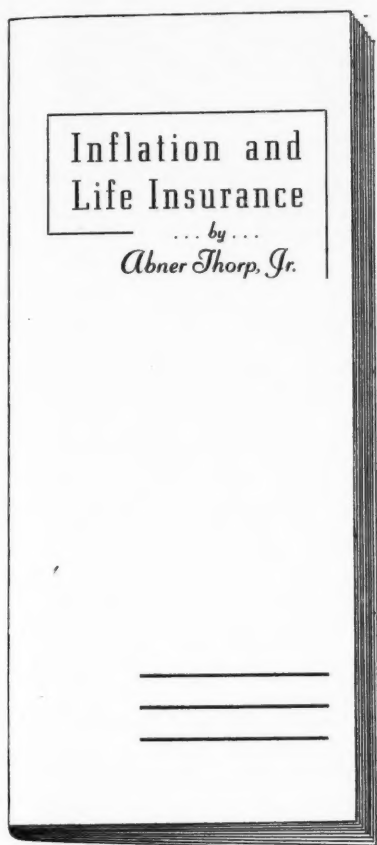
PRELIMINARY 1940 LIFE TOTALS

(IN SOME CASES THESE FIGURES ARE ESTIMATES)

	New Paid Business		Change in Ins. in Force	
	1940	1939	1940	1939
Expressmen's Mutual.....	\$ 2,226,000	\$ 1,783,500	+\$1,196,721	+\$ 839,868
Farm Bureau Life, O.....	10,053,682 ¹	9,271,175 ²	+7,381,380	+6,455,797
Midland Mutual Life.....	10,961,777	9,868,095	+4,898,709	+3,489,161
Missouri Ins. (Ord.).....	2,961,377	1,366,330	+2,212,000	+1,309,060
Standard Life, Miss.....	3,660,342	3,382,608	+732,178	+859,924
Webster Life.....	1,177,581	639,111	+695,806	+300,026
Wisconsin Natl. Life.....	4,387,185	4,167,337	+1,200,000	+475,593

¹Includes \$118,000 group.
²Includes \$1,132,000 group.

Are Your Prospects Talking About Inflation?



(Booklet 3 3/4" x 8 1/2" — 36 pages)

PRICES

Four copies (minimum order)	\$1.00
Lots of 12 copies, each	.20
Lots of 25 copies, each	.18
Lots of 50 copies, each	.17
Lots of 100 copies, each	.15

IS IT POSSIBLE for the average man to hedge against inflation? It has been tried many times in the past. People have bought small blocks of stock, real estate or commodities to protect themselves against rising prices; some following the advice of "market tipsters". But, what have been the results?

What about inflation? What is it? Do you know that until recently we have been in a period of deflation for eight years?

What about present rising prices? Will this cause inflation? Do you know that prices are still 30% below the peak of 1920?

And, what about the billions now to be spent for national defense? Will this cause inflation to get out of hand or are there natural or artificial brakes which will operate automatically or which can be applied?

WHAT IS THE RELATIONSHIP OF LIFE INSURANCE TO INFLATION?

This whole problem is brought down to earth in a concise and understandable manner in Abner Thorp's new booklet "Inflation and Life Insurance", which is just off the press.

SUGGESTED USES FOR THE BOOKLET

- 1 Order a copy for each of your Agents to offset their fears of Inflation.
- 2 Suggest to them that they buy a dozen copies themselves and keep them in circulation; that they write their names on the inside front cover of each booklet and loan to a prospect. An excellent reason for a call back to pick it up, when the need for Life Insurance can be discussed without interruption.
- 3 Use it as a mailing piece when properly marked for individual prospects.
- 4 It can be effectively used with persons of wealth to open up Tax and Business Insurance cases.

ORDER BLANK →

THE DIAMOND LIFE BULLETINS

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Please send me copies of Abner Thorp, Jr.'s New Booklet, "Inflation and Life Insurance", at c each.

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CITY STATE

Problems Facing Business Analyzed by Actuary Hope

LOS ANGELES—Agents and actuaries must get closer together and understand one another, as perhaps never before, if the great problems now facing life insurance under the voluntary system are to be properly attacked and solved, F. M. Hope, actuary Occidental Life, Cal., declared before the Life Managers Association of Los Angeles.

Agents are the men who bring home to the breadwinners their personal responsibilities in financial matters. "You show them how to carry those responsibilities in the best scientific way. You, in a world of regimentation, are the apostles of persuasion and voluntarism. You encourage the essential virtues of self-reliance, self-respect and self-discipline."

In less than 100 years America has been raised from a practically uninsured nation to the best insured nation in the world possessing at least two-thirds of the total life insurance on the globe. That is mainly the achievement of the American agency system.

New National View

"Your very success in spreading the gospel of life insurance by persuasion has brought the need for a new vision into the business, namely, the national point of view. We have been intent on serving the individual. Almost suddenly it seems, we are faced with the apparent fact that our business is now greatly affecting the national economy. Or is it that the national economy has so changed that it has become difficult to carry on our business under the old methods and principles?"

Factors which must be faced today are:

"1. The interest rate has fallen almost beyond belief, judging by the standards of a few years ago, necessitating increases in non-participating rates.

"2. The companies' reserves have continued to grow steadily in the face of the difficulty of getting good investments at a decent rate of interest.

Business Slows Down

"3. Life insurance has slowed down discouragingly. While it increased 150 percent or from about \$42,250,000,000 to \$108,000,000,000 in force between 1920 and 1930, it has increased only about 9 percent or from about \$108,000,000,000 to \$117,500,000,000 between 1930 and 1940. In this last decade the population has increased about 7 percent, suggesting on the face of things, that life insurance is at saturation point. While the insurance increased 9 percent in the last 10 years assets increased 70 percent.

"4. We have had a federal investigation and its report has been published under the significant title 'Investigation of Concentration of Economic Power.'

Too Much Savings?

"5. Economists and investment men have also suggested that life insurance is encouraging too much saving, indicating the desirability, perhaps, of more pure protection insurance, at least from the national standpoint.

"6. Then we are having more and more government, municipal, corporation, etc., pension plans, suggesting less and less need for the endowment element in life insurance.

"7. We have the very interesting social security program amplified recently by life insurance, the implications of which, particularly in the kind of life insurance offered, deserve careful study. Social security provides survivorship annuities.

"8. There are rumblings of federal supervision.

"9. A new mortality table for net premiums, reserves and non-forfeiture values appears to be on the way.

"10. A new scale of agents' remuneration, emphasizing persistency and service is under consideration.

"11. And this draws our attention to the lapsation problem which has not yet been solved to the extent it should be."

Urges Income Replacement

In answering the statement that life insurance has reached the saturation point, Mr. Hope urged the adoption of his income replacement plan under which the American public could carry about twice the present total insurance.

From 1927 to 1937 life insurance in force in the United States increased 26 percent as compared with 47 percent in Great Britain. In no single year did Britain show a decrease in insurance in force, but the United States in both 1932 and 1933 showed a decrease of over \$5,000,000,000 or nearly \$11,000,000,000 in all.

Mr. Hope favors including a report of actual to expected mortality in annual statements. Although the old ratios based on the American experience table may be misleading, it would not be impossible for the companies to publish their actual to expected mortality based on a modern table. "Perhaps this may be accomplished if a modern mortality table for reserves is sanctioned by law. This may be one of the benefits to accrue from the use of a modern mortality table. It would seem rather important to a prospective policyholder to know whether he is going to be associated with high class lives."

Must Face Changes

Changes are being faced and the agent will be expected to do his part in meeting them as he did when deferred dividends were ruled out, when total disability coverage was discontinued by most companies, annual dividends reduced and group insurance adopted. More emphasis has to be placed upon the fitting of the policies to income replacement or insurance of future life values with less endowment element, Mr. Hope declared. It is hoped that these changes in this direction can be made as easy as possible for the agent. The agent has to provide a living for himself and his family and he cannot afford to be made the "goat" in the adoption of new policy forms. Perhaps the suggested new method of compensation with its larger commissions or renewals and service fees and allocating of orphan business may be a step towards making changes easier for the agent.

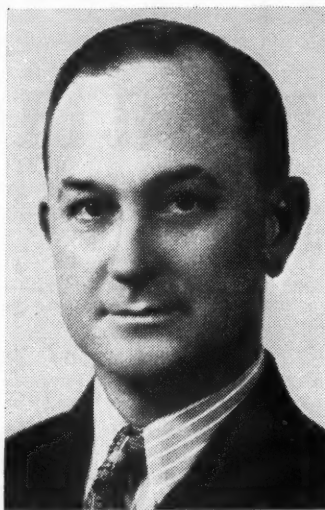
Income replacement insurance considers that the main thing insurable about a man's life is his future earnings. It provides for the continuance of his earnings or a reasonable proportion of same to the end of the expected period in case of premature death or disability. It is really a form of scientific decreasing term insurance with a very definite purpose at a moderate cost. Supplementing it are premium deposit agreements providing for a safety fund for the policy and a flexible retirement annuity to be purchased as a man can afford it. The whole plan lends itself to high class servicing by the agent, Mr. Hope said.

Get 540 Applications for Duff

Within the five days ending Dec. 21, 333 members of the Edward A. Woods agency of Equitable Society, Pittsburgh, wrote 540 applications totaling \$1,849,926, and seven group applications for \$8,930,400, as a tribute to Manager W. M. Duff on the occasion of his 45th anniversary of service.

J. C. Pennington, who has been with the Kansas City Life in San Antonio, Tex., has been appointed district manager there by the Reliance Life.

Elected Vice-president of the Franklin Life



A. V. MOZINGO

Directors of the Franklin Life have elected A. V. Mozingo a vice-president. For the past year he has been in charge of agency development in Florida, Tennessee, Kentucky, Alabama and Georgia, with headquarters at 807 Citizens & Southern National Bank building, Atlanta.

Mr. Mozingo is one of the most successful field executives in the south. Born in Madison, Fla., 48 years ago, he began his life insurance career as a personal producer at the age of 18. After five years he was advanced to branch office manager, then superintendent of agents of Jefferson Standard Life. Later he was agency vice-president of the Volunteer State Life.

Associated with Charles E. Becker in the Great American Life of San Antonio, Mr. Mozingo went to the Franklin from that company with President Becker. The past year his men have led the Franklin field force conspicuously more than once. His new title will involve no change of duties.

Mention J. H. Graves for Arkansas Commissioner

J. H. Graves, Judsonia, former Arkansas commander of the American Legion and manager of the campaign of Homer M. Adkins, governor-elect, is regarded in some quarters as Adkins' choice for commissioner of insurance to succeed M. J. Harrison. The new governor will be inaugurated Jan. 14.

It is not thought likely that James J. Harrison, Arkansas manager of Union Central Life, will be appointed state comptroller. In addition to his insurance post, he is Arkansas director of the Office of Government Reports.

A. B. Hill of Union Central Life has been mentioned as a possibility for insurance commissioner.

Special Award for Persistency

The West Coast Life's Century Club will hold its 1941 convention on Catalina Island. All expenses and equipment for a day of marlin fishing will be awarded with renewal records of at least 90 percent on past year's business.

Branch managers have been called into San Francisco for a conference with the home office executives, Jan. 10-11.

Open New Office Jan. 15

A party of head office executives of the Bankers Life of Iowa will be in San Francisco Jan. 15 when General Agent J. H. Rowe formally opens the company's new branch office to the public at 155 Montgomery street.

Member-Guest Rally in New York Jan. 14

National Association Officers on All-Star Program in Membership Drive

One of the first of the "member-guest" sales meetings initiated as an important element in the membership plans of the National Association of Life Underwriters will be held in the Manhattan Center Auditorium, New York City, Jan. 14, with an all-star cast of speakers composed of H. T. Wright, president; C. J. Zimmerman, immediate past president; J. A. Witherspoon, vice-president and Grant Taggart, secretary, all of the National association. This rally is to be conducted by the Life Underwriters Association of New York. National association officers will be presented. W. E. Barton, manager Union Central, New York, newly elected National association treasurer, is honorary chairman.

The Boston association in December gave the "member-guest" meeting idea a successful tryout. The cast, held intact, now goes to "Broadway," with P. C. Sanborn, Boston, general agent Connecticut Mutual and National association trustee, who conceived the idea, to preside.

Open to All Life Agents

Lloyd Patterson, president New York City association, announced the meeting will be open to all life agents in the Greater New York City area. Two consecutive sessions of the same program will be held the same day, with seating space for approximately 4,000 people. An afternoon meeting will start at 3:30 and the evening meeting at 8. The committee in charge of arrangements, headed by Mr. Sanborn, is preparing for record attendance.

Objectives Card Well Received

The card published by the National association, which sets forth its objectives and was designed for use with policyholders and prospects as well as present and prospective members, has met with enthusiastic acceptance in the field. The objectives, prepared by President Wright and his administration, emphasize the close relationship existing between life agents and the life insurance buying public. The card is printed in two colors on stiff paper. Members have used the cards as mailing pieces to policyholders, with a covering letter discussing the individual agent's work in connection with the association; for use with prospects as a demonstration of what the agent, through the local association, is attempting to do for the policyholder, and as an example of the ethical standards of the association and its members; as a selling point for prospective members of local associations and an incentive for renewal of old members; as the basis for local association newspaper advertising; as a general answer for those who may ask, "What is the association and what is it doing?" and as a sound method for building prestige for the agent.

Provide Mobile Field Kitchen

Employees and officers of the Mutual Benefit Life raised \$2,000 to buy and send to England a mobile field kitchen. This was in addition to \$700 realized from the sale of British war relief insignia. In acknowledgment, Valentine Howell, vice-president and actuary Prudential, chairman of the Newark committee for British war relief, said: "Your response to this cause has been magnificent and will be of great value in promoting the campaign in Newark."

Dennis A. Barry of New Orleans, a certified public accountant, has been named chief examiner of the Louisiana insurance department, succeeding Emile Bienvenu, resigned.

Garrison Staff Men Join Other Prudential Agencies

NEW YORK—With the termination of the Garrison agency of the Prudential at the close of the year a number of those connected with the agency have joined other Prudential offices in downtown New York City. Acting Manager Leo Blatz has joined the Gerald A. Eubank agency as cashier and office manager. Aaron Press, assistant manager handling brokerage, goes to the Eubank agency in the same capacity. A number of the clerical and service staff have also been transferred.

The Eubank agency has been completely remodeled and approximately doubled in size. Addition of the new personnel makes the agency one of the largest in the country.

Go to Wofford Agency

The H. L. Wofford agency now has the services of C. J. Weppeler and R. H. Jessup, assistant managers, who will continue in that capacity. Seven agents have transferred to the Wofford agency. They are Morris Shultz, Lloyd Hepburn, Ivan Zimmerman, A. P. Lott, J. F. Robinson, Samuel Berlin and A. J. Stanfield. Part of the clerical personnel was also transferred.

The D. J. Quinn agency in Brooklyn now has as assistant manager in the brokerage department J. A. Caulfield, who formerly was assistant manager in charge of full time production at the Garrison agency. William McNeely, a clerk in the cashier's department at the Garrison agency will act as assistant to Mr. Quinn.

Bowman Leads New York Life

George Bowman, San Francisco, led the New York Life in new paid business for November. Mr. Bowman is one of the original members of the San Francisco Quarter Million Dollar Round Table and was its chairman last year.

Boost H. E. McClain for Indiana Commissioner

Quite a movement has been initiated on the part of friends of H. E. McClain in behalf of his appointment as insurance commissioner of Indiana. Mr. McClain, who is a former Indiana commissioner, is now executive secretary of the Indiana Association of Insurance Agents. The setup at the state house is confused and it is impossible now to predict who will have the appointing of the various state office positions. Governor Schricker is the only Democrat who was elected for a state house job. All the rest are Republicans. While the present setup would place all appointing power in the hands of the governor, this will, undoubtedly, be changed as soon as the legislature is in session. Just how the appointments will be distributed will not be known until then.

Companies' A.A.A. Payments

WASHINGTON — Life companies were heavy beneficiaries under the government's agricultural adjustment program in 1938, it is disclosed by a report submitted to Congress by the Secretary of Agriculture. In a list of the large land-holding companies which received the greatest payments, the Department of Agriculture disclosed that the Metropolitan Life was paid \$346,773; Equitable Society, \$305,491; John Hancock Mutual Life, \$263,322; Prudential, \$252,717; Travelers, \$249,630; Union Central Life, \$184,255; Mutual Benefit Life, \$131,455; Northwestern Mutual Life, \$125,676; Equitable Life of Iowa, \$119,334; Aetna Life, \$99,378; Connecticut General Life, \$97,297; Bankers Life of Iowa, \$90,945; and General American Life, \$50,203.

Richard Penney, Franklin Life, and Ira Travis, Aetna Life, have been elected directors of the San Antonio, Tex., Junior Chamber of Commerce.

Runs App-a-Week Record to 835 Consecutive Weeks

There is nothing like being a steady producer when it comes to selling life insurance, according to the belief and the decided practice of Claude H. Tucker, general agent Minnesota Mutual Life, Topeka, Kan.



C. H. Tucker

Mr. Tucker has broken the record in that company's App-a-Week Club. Before 1940 had passed into history, he had scored 835 consecutive weeks, which beats the previous company record, 748 weeks, established in October, 1938, by John Boyle, Minnesota Mutual general agent in Chicago. Another Minnesota Mutualite, George Nowotny, New Braunfels, Tex., now has run up 683.

Sendoff Luncheon for Huth

George Huth, the new Chicago general agent of Provident Mutual, opened his agency in the Otis building Wednesday in new and modern quarters after a sendoff luncheon attended by his former associates in the Willard Ewing agency there. General Agent Ewing was host. Mr. Huth starts from scratch, but with a record of successful sales and agency building experience to assure a steady, substantial growth.

"Continued prospecting — prospecting carried on until it becomes second nature — and thorough investigation of all the every-day situations which call for life insurance will produce an adequate volume of business and a growing renewal account."—L. M. Gibbs.

Group Casualty Covers Assume Large Proportions

Hospitalization insurance written by life companies has shown a tremendous gain in the last year and it would not be surprising if the total new and renewal premium volume for group hospitalization, group accidental death and dismemberment and group disability exceeded half the corresponding figure for group life alone. This is partly accounted for by the relatively higher premiums paid on group benefits outside the strictly life category. But it indicates the importance which these coverages, considered incidental a few years ago, have assumed. The average premium for group casualty covers exceeds the life premium where dependents benefits are included in hospitalization which is usually the case. These casualty coverages have been a great help to life companies' group departments, as big cases in the life field are becoming rarer as more of them are brought into the fold, although there is still a big market for group life.

Volume on Social Security

"Social Security and Life Insurance" is the title of a volume published by the Security Press, Madison, Wis. The authors are Paul F. Cranefield, who is connected with the Wisconsin agency of Madison, state agents for Continental Assurance, and former agency director of National Guardian Life, and E. A. Gaumnitz and W. B. Taylor of the school of commerce, University of Wisconsin. The book attempts to give an unbiased account of the workings of the old age and insurance benefits of the social security setup, especially as they are related to the average man's life insurance program. The book also contains a statement of the provisions of national service life insurance and the Canadian war clause.

HOW JOHN LINCOLN RAISED HIS AVERAGE-SIZE POLICY

WHEW! ANOTHER LETTER FROM MY G.A. ABOUT TOO MANY \$1000 APPS!



IT RELIEVES MY MIND TO KNOW THAT MY FAMILY WILL HAVE AN INCOME IF I DIE !!!

YES, AND DON'T FORGET YOU GET CASH IF YOU LIVE!



A RETAIL CLERK

HE SUGGESTS SALARY CONTINUANCE PLAN - I'LL GET OUT MY KIT - STUDY UP AND TRY IT ON SOME MODEST INCOME PROSPECTS !!



THIS PLAN TRULY MAKES A MODEST DEPOSIT DO A MAN-SIZED JOB OF FAMILY PROTECTION !!

I AGREE - I LIKE THE PART THAT ENABLES ME TO SAVE, TOO!



AN OFFICE WORKER

DON'T FORGET, THE PLAN GIVES YOUR FAMILY A CLEAN-UP FUND AND AN INCOME FOR TWO YEARS

(THAT'S \$1,557 SALE INSTEAD OF ONE FOR \$1,000)



A FACTORY WORKER

YOU BET, AND I CAN SURELY AFFORD 10¢ A DAY !!

S.C.P. HELPED ME. THESE SALES WOULD HAVE BEEN FOR \$1000 EACH INSTEAD OF \$1557. PROSPECTS BOUGHT MORE AND NEEDED EVERY PENNY OF IT!



THE LINCOLN NATIONAL LIFE INSURANCE COMPANY
FORT WAYNE INDIANA

Asks Companies Help Eliminate Part-Time Agents

NASHVILLE TENN. — Commissioner McCormack, W. H. Andrews, Greensboro, N. C., trustee of the National Association of Life Underwriters, and E. T. Proctor, Northwestern Mutual general agent, Nashville, combined to give 250 life underwriters at a dinner meeting here, marking the opening of a membership drive for the Nashville association, a timely discussion of current insurance affairs. Commissioner McCormack asked for the aid of the companies in eliminating all agents for any reason unqualified. He said in part:

"I am in favor of keeping the insurance business on at least a semi-professional basis. I don't want my milkman, when he makes his delivery in the morning, to solicit me for life insurance. With the cooperation of the companies and the agents, we will do our job of eliminating the unqualified agent." He commended the resolution on agent's qualifications passed recently by the general agents and managers division of the National association.

The commissioner suggested that a message be sent to C. M. Cartwright of THE NATIONAL UNDERWRITER, in New York, in the name of Tennessee life underwriters, and a unanimous endorsement was given to this request.

Doesn't Like "Tone" of Talk

Mr. Andrews, speaking as a representative of the National association, commented on possible legislation to bring insurance under federal regulation, saying that he heard addresses recently by federal and congressional representatives and that he didn't like the "tone" of their talk. Touching on the war situation, he said:

"We who make 50,000,000 contacts a year can do much to influence public opinion and it is up to us to do a good job at our positions in showing the American people the way of security." He said the public is much better informed along all lines than even a few years ago and that the unscrupulous company or agent finds it not so easy to defraud policyholders. He credited the insurance companies, in cooperation with agents' organizations, with this helpful education of the public.

Mr. Proctor, chairman of the Nashville association's membership committee, in defense of the agent "middleman," asserted that "the good risks that good agents bring in develop a mortality average that brings in an income greater than their commissions." In referring to the cost of membership in the association, he said he always "tells the prospect what the premium will be and then keeps on talking until the guy forgets it."

It was announced that a part of the surplus in the treasury of the local association will be used to pay for a series of institutional newspaper "ads" beginning in January.

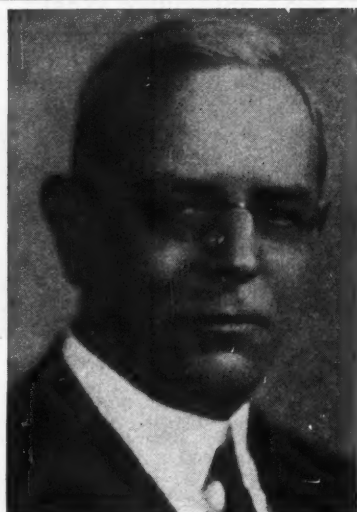
Best Record in Five Years

The agents of Sun Life of Canada in western Pennsylvania during December made a production record that has not been surpassed since 1935 and places the branch fourth in the eastern U. S. department. A drive was staged to honor Manager W. W. Barry, who is commencing his fifth year as manager at Pittsburgh.

Cummings Lauds Salesman's Work

One salesman makes jobs for 70 workers and directly affects the livelihood of 300 persons, H. J. Cummings, vice-president Minnesota Mutual Life, told 800 Minneapolis salesmen at a dinner. He said it is the salesman who finds a market for the products of the inventive geniuses of the nation. A. R. Hustad of the White & Odell agency of the Northwestern National Life, was toastmaster.

Succeeds Hutcheson



WENDELL M. STRONG

Wendell M. Strong, who has been vice-president and acting actuary of Mutual Life of New York since July 1, has succeeded W. A. Hutcheson as vice-president and actuary. Mr. Hutcheson's retirement as of Dec. 31 was announced last summer. For the last six months he has been on leave of absence. Mr. Strong, a graduate of Yale and Cornell, entered Mutual Life actuarial department in 1900. He became assistant actuary in 1904 and associate actuary in 1911. He was president of the Actuarial Society of America, 1930-32.

Lamb Elected President of General Agents Group

Edmund E. Lamb, Chicago general agent of Columbian National Life, has been elected in a mail vote as president of the General Agents Association of that company. He has been first vice-president. Other new officers, all of whom will be installed at the next association meeting, are: first vice-president, Thayer Quinby, Boston; second vice-president, Don Nesbitt, Springfield, Mass.; secretary-treasurer, E. G. Horne, Indianapolis. The new officers will meet in January.

Conscription Raises Problems

The conscription problem is being weighed by general agents and managers. First, there is the question of whether recruiting should be done among older men or younger men with dependents, and there is also the problem of bidding for a man's service in competition with other businesses, which have been stimulated by the national defense program. It has been found that men who are eligible worry about when they are to be called and their production suffers accordingly. Agencies are beginning to lose some good men. Many of the older men who have held reserve commissions have been ordered to report for duty and this adds to the problem of manpower.

Frank Summers' Field Extended

Jurisdiction over the New York Life branch office in New Haven, with supervision over Connecticut, is being transferred to the northeastern department in Boston, under Frank B. Summers, inspector of agencies, who hereafter will have supervision over all New England, the province of Quebec and all of eastern Ontario as far as and including Ottawa.

The transfer does not involve any change in the personnel or otherwise of the New Haven office. It will continue under the supervision of Agency Director Harry H. Tibkin, who has been in charge for many years and who will now report to the northeastern department in Boston.

Illinois Department Man in Special Agency Work

A. C. Resek, special deputy of the Illinois insurance department, who has been stationed in the Chicago branch office for the last eight years, has resigned as of Jan. 15 to become special agent of Continental Assurance in the production department of the Insurance Exchange branch office in Chicago. He will travel Cook county, principally developing life business. Mr. Resek is a life producer of 20 years' experience.

He started with Equitable of New York in Dixon, Ill., becoming district manager, and after seven years was appointed agency supervisor of Continental Assurance, operating out of the home office. Two years later he joined the Chicago branch of Sun Life of Canada as an agent. He was appointed to

the department in 1933 and has handled many grievances and complaints relating to life insurance and also has handled many details of the department's Chicago branch.

Policy Loans Sharply Lower

The Institute of Life Insurance releases a statement that life insurance policy loans now outstanding amount to \$2,767,000,000, which is \$650,000,000 less than at the bottom of the depression. It is \$131,000,000 lower than the previous year. On the basis of percentage of total life insurance assets, the loans are now nearly 50 percent smaller than in 1932.

D. O. Johnson, San Antonio, Tex., general agent, Minnesota Mutual Life, was host to the agency and office force at his annual wild game dinner.

ONE OF A SERIES DEMONSTRATING

STRENGTH



Slow to "solo"
... *sure to FLY*

Any good instructor can teach an intelligent beginner to fly in a half-dozen hours. But the good aviation schools don't "solo" pupils 'till they're sure of the finer points of the art.

Similarly smart managers in life insurance have discarded the old "sink or swim" theory in sales training. At Connecticut General, for example, we like to size up a man's basic qualifications *before* he enters the business. Once he has become a part of the organization, it's our job to BUILD him up into a successful business man . . . with plenty of training follow-through before he "solos."

That is one of the STRENGTHS of our organization.

• LIFE •
• ACCIDENT •
• HEALTH •



• GROUP •
• SALARY ALLOTMENT •
• ANNUITIES •

Connecticut General
Life Insurance Company
Hartford, Connecticut

Group Life Shows Considerable Drop

Group life insurance has shown a considerable drop as compared with 1939. According to the figures through November, which are the latest available, the 11 months total, however, was far ahead of 1938. The reason why the figures for group were down 18.2 percent is to be found mainly in the mammoth production of two months in 1939. In June the Ford Motor case, amounting to about \$175,000,000, shot the month's production up to \$194,223,000, an increase of 331 percent over the previous June. Then, in August the case involving the New York state civil service employees added some \$40,000,000 to the month's production, resulting in a 151 percent increase over the previous August.

It is true that January 1940 showed a 159 percent increase and July enjoyed an increase of 82 percent but nearly all the rest of the months showed decreases. June and August having to stack up against the two tremendous months already referred to, showing decreases respectively of 74.8 and 35.9 percent. Group production can be accurately gauged only in a long-range review.

Adds Glamour to Investment Side

As a soundly conceived bit of public relations work Mutual Life's activity in connection with the new \$5,000,000 New York City Airlines Terminal deserves more than superficial attention for it signifies the way in which a vital but undramatized role of life insurance may be brought to favorable public attention. Next week the airport will be dedicated at a dinner at which the principal speaker will be President Louis W. Douglas of the Mutual Life.

In lending money necessary for the air terminal's construction Mutual Life has done only what it and other life companies have been doing for years. Usually companies have taken this sort of activity for granted. They have not seen any particular reason for showing the public the part which life companies will play in supplying money. The result has been that the public too has taken this role for granted. They knew that the life companies took in the premium dollars, paid out death claims or dividends or cash values. But they had little knowledge of what was done with their money from the time it was paid to the insurance company until it came back to them or their beneficiaries.

With its financing of the New York air terminal, however, the Mutual Life took full page advertising in two leading New York dailies, in which it was pointed out that construction of the air terminal building was made possible by the Mutual Life.

To the outsider, the life insurance business frequently seems humdrum whereas aviation is probably the No. 1 glamour industry of the country. Consequently, in making this tie-up between life insurance and aviation the Mutual Life has helped lend a touch of glamour to the entire life insurance business. The company is to be congratulated on having taken this step in dramatizing for the public the investment function of life insurance.

Seek New Neb. Reinsurance Law

LINCOLN, NEB.—Amendments to the law relating to reinsurance contracts and procedure have been added to the legislative program of Nebraska insurance interests. Applications will not become public property until after voted upon by interested policyholders, and 21 days will be given for appeals from later approvals by the insurance department. This is to prevent the sniping that has been indulged in by small groups of policyholders, and the bill will contain provisions that while protecting minority groups will make it impossible to overturn arrangements that have been passed upon as sound and fair.

Richey to Assist Schulte

LeRoy M. Richey has been appointed associate general agent for American United Life at South Bend, Ind. He will be associated with General Agent George R. Schulte.

Mr. Richey has been connected with the Charles E. Bullard Company at South Bend. He was formerly with Equitable Society and for a number of years prior to that time was with the First Bank & Trust Company of South Bend. He is a captain in the Reserve Officers Corps and is engaged in organizing a company of the Indiana Civil Defense Force.

Renounces Sport for Insurance

Roy B. Striegel of Nashville, who began his football career in 1914 and has become one of the best-known football officials in the south, has resigned as a gridiron field judge affiliated with the Southern Football Officials Association to devote his entire time to his work as district manager of the Provident Mutual. He has been with that company since 1928.

Extended Insurance Option Adds Dramatic Touch

The extended insurance option sometimes adds a dramatic touch to the work of life insurance claim departments. In the December issue of "Field Service," agents' publication of State Mutual Life, is a description of extended insurance which operated under unusual circumstances.

On April 14, 1931, J. L. Anderson took out policy No. 229,451. He was 32. When premium payments ceased the extended insurance option took effect, and it expired Aug. 16 this year. In September the dividend department started to search for the policyholder to pay him the \$43.98 coming to him in dividends. A letter was returned with the postman's remark: "Thought dead." Thence the files were turned over to the claim department, whose search finally disclosed that the policyholder had indeed died, but within the extended insurance period.

The estate is under the administration of W. M. Anderson of Athens, Tenn., brother of the deceased, who received the check for the full amount of the claim from A. A. Shafer of State Mutual's Knoxville office.

Mr. Anderson said, "You have my full

permission and consent to use the foregoing to better acquaint the public with the value of life insurance and especially with the high degree of fairness displayed by you in the settlement of this claim of a policy which lapsed July 14, 1926, and was running under extended term insurance at the time of my brother's death, and of which I had no knowledge whatever."

Security Mutual Has New Club

The Security Mutual Life of Nebraska has set up a new organization, the Leaders Club, to which senior and junior agents are eligible, the former being required to produce \$100,000 and the latter \$75,000 a year to be eligible. In addition to convention attendance financing, the company will give each agent making the club a bonus of 50 cents for each \$1,000 premium income in excess of \$2,000, but not to exceed \$25.

J. B. Leeth, secretary of the Nashville Association of Life Underwriters, has an unusual sports hobby—shooting with bow and arrow. Given a new bow and arrow for a Christmas present, Mr. Leeth went out and bagged a giant hawk—a clean shot through the heart. It was good for a double-column head and a picture in local newspapers.

COMPLETE PERSONAL PROTECTION

• Life • Accident • Health • Annuities • Hospitalization • Group • All-Ways



PROGRESS

is planned
at the
Conference Table

There's an old B. M. A. custom of "talking it over" and that custom accounts for the fact that the company's salesmen and the home office officials always pull together to achieve maximum results.

This month, for example, a group of leading B. M. A. salesmen will meet with home office representatives in New Orleans. Out of this conference will come valuable new ideas, a better understanding of each other's problems, and a plan for ever improving the Company's service to the public during 1941.

In the past these friendly conferences have resulted in unusual progress and there is every reason for believing that history will repeat itself again this year.



Business Men's Assurance Company

W. T. GRANT
President

KANSAS CITY, MISSOURI

J. C. HIGDON
Vice-Pres. in Charge of Sales

EDITORIAL COMMENT

Fine Work of Insurance Professors

It is unfortunate that any person in the insurance business who has preconceived ideas that college professors are radicals, or at least inclined towards the left, could not have been present at the discussion of insurance survey courses at the recent meeting of the American Association of University Teachers of Insurance. The discussion took an unscheduled turn when a visiting insurance man asked about the background and attitude of students toward insurance. The unrehearsed answers of the instructors showed that they are not only concerned about the muckraking ideas which many students have absorbed, but are doing something about them. One successful instructor said that a number of his students have frankly admitted that they were taking his course to learn as much "dirt" as possible about insurance companies. His method of handling such students is worthy of the attention of everyone interested in the well being of the business. He puts at their disposal reports of the Armstrong committee of 1906, the current TNEC report and any other material which they wish, but at the same time he urges them to absorb material on the services of insurance companies, the place of insurance in the economic sphere, the basis of rate making and similar material. He and his colleagues were very optimistic over the success they have had in giving the current generation of students a better understanding of insurance.

It was also clear to anyone who attended that meeting that any fault which may be found with ideas students have picked up about insurance in col-

lege lies not with the insurance teachers but primarily with the so-called "consumer economics" courses. The insurance professors were unanimous and unsparing in their condemnation of including insurance in these courses, some saying that it was ridiculous to give less attention to the purchase of insurance than to the selection of canned peas.

An insurance professor is not the entire faculty and the members of this body may or may not be successful in getting insurance eliminated from the "consumer economics" courses. At all events, however, we feel that insurance men ought to recognize the service which is being rendered by college teachers of insurance. They are not out to "white wash" everybody and everything in the business, nor should they be, but they have a fine knowledge and a sincere appreciation of insurance and its place in the economic picture and they are ably conveying this to every student who will listen to them. It is pleasant to note that the one time suspicious attitude of many insurance men toward insurance teachers has well nigh disappeared. The teachers as a group have no intention of competing with or replacing the educational facilities of the business itself. They recognize, perhaps better than most insurance men, that their job is not to turn out completely finished insurance employees or agents, but to provide the student with a background which will eventually make him a better insurance man or a better buyer of insurance. Their efforts deserve universal commendation.

Program of the "People's Committee"

ANNOUNCEMENT that the "People's Committee to Defend Life Insurance and Savings" will be continued on a permanent basis brings a new development into the field of life insurance. No one will deny that it is highly desirable for policyholders to understand how current and future events may be expected to affect their policies. However, the People's Committee is the same one which raised the inflation scare during the recent presidential campaign with its leaflet entitled "Will You Take 50c for Your Dollar?"

While some life insurance men responded to the committee's appeal for funds, there were many who felt that the leaflet was unwarranted in the assump-

tions it set forth. Thus, at its inception as a permanent organization the committee is open to considerable question as to the accuracy of its propaganda and the extent to which its active members know what they are talking about and are fully aware of their responsibilities to the general body of policyholders.

Any organization professing to act on behalf of the nation's policyholders should be scrutinized with the utmost care by those who are asked to support it or rely upon its statements. The organization's title "People's Committee to Defend Life Insurance and Savings" has an impressive and reassuring ring. That alone may bring widespread support. However, those who are really

interested in promoting a wider knowledge about economic developments which affect life insurance would do well to ask themselves, not only in connection with this organization but with any similar body to what extent it can be expected to be truly representative of policyholders and whether its setup is such that it can reasonably be expected to do more good than harm to the cause which the organization is attempting to help.

Despite its excellent intentions, the People's Committee so far does not appear to be overly accurate in its understanding of life insurance. Its announcement states that government encroachment on private enterprise would, among other things, have the effect of "increasing premium rates on outstanding policies." While any life insurance man knows that premium rates on outstanding policies cannot be altered many policyholders reading the announcement, which was widely run in the daily press, have probably got the mistaken idea that their premium rates are subject to change.

The central figure of the People's Committee appears to be Robert E. Smith, who is not only secretary of the committee but is also chairman of the National Conference of Investors and a couple of railroad bondholders protective committees. Without belittling Mr. Smith's wish to espouse a worthwhile cause nor a perfectly legitimate desire to make an honest dollar, it is still possible to wonder whether the People's

Committee is really in the interest of the life insurance policyholders and the life insurance business. The tendency in committees of this type is for the eminent citizens who compose the boards of directors to leave everything pretty much in the hands of the headquarters executive. This procedure may be all right in some types of activity but a matter affecting life insurance policies is too important to delegate. There should be the greatest possible participation of policyholders in the active management of the committee's affairs. The policyholders should know what it is all about for there is nothing corresponding to a state insurance department to exercise any supervision over such committees.

The People's Committee has succeeded in enlisting C. Vivian Anderson, Provident Mutual, Cincinnati, as a member of its board of directors. A former president of the National Association of Life Underwriters, Mr. Anderson has long been in close touch with legislative matters on behalf of the National association. It is to be hoped that since Mr. Anderson has accepted this responsibility he and the other life insurance men on the board though composing only a small part of its membership will use all possible efforts to make the committee's work constructive and really representative of the interest of life insurance policyholders and put a stop to the irresponsible and unduly sensationalized methods which characterized the committee's work in the recent political campaign.

PERSONAL SIDE OF THE BUSINESS

Richard B. Fowler, son of General Agent C. H. Fowler of Monarch Life at Manchester, N. H., has been nominated by Congressman Jenks of Manchester as principal candidate to fill the vacancy at the United States Military Academy to which the first New Hampshire district will be entitled July 1. Young Fowler received the highest mark in an examination conducted under Congressman Jenks' sponsorship by the civil service commission. He also scored first in Senator Tobey's test for Annapolis candidates. Thus, he had the choice of either institution.

H. A. Behrens, president of Continental Assurance and chairman of Continental Casualty, has gone to his home at Belvedere Island, San Francisco bay, to spend the holidays.

R. Foster Piper, chairman of the New York assembly insurance committee and supreme court justice-elect was presented a silk court gown at a luncheon in his honor in Buffalo given by present and former Erie county legislators who served in Albany with Mr. Piper.

Superintendent Lloyd of Ohio has been elected a director of Fifty West Broad, Inc., which owns the American Insurance Union building in Columbus.

He succeeds former Superintendent Bowen. The building houses a large number of insurance offices.

Edmund E. Lamb, Chicago general agent of Columbian National Life, has been elected president of the Chicago Coin Club, of which he has been vice-president for the last year. Mr. Lamb takes the hobby very seriously, having a large collection, a part of which is in a special steel cabinet in his agency office.

A. R. Massa, associate general agent of the Connecticut Mutual Life in Cincinnati, led that company's producers in paid volume and also in total number of sales in December. This is the first time in five years that one man has accomplished this dual feat. Mr. Massa also ranks third in insurance sold to date for the year which ends March 31, 1941.

C. J. Schaaf, Metropolitan Life manager at Mound City, Mo., was honored at a dinner in St. Louis on his 25th service anniversary. Mr. Schaaf started as an agent at Carondelet, Mo. in 1915. He has served as assistant manager of the Carondelet and Franklin, Mo., districts, and as manager in Des Moines and Poplar Bluff, Mo. He has been in

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his present district over five years. Home office men, business and civic leaders and over 20 managers attended the dinner as well as Mr. Schaaf's entire organization, with a total of 200 guests. Mr. Schaaf was presented a diamond service pin.

T. S. Burnett, manager mortgage loan department Pacific Mutual Life, has been appointed a member of the insurance advisory committee of the Mortgage Bankers Association of America.

Sidney Wertimer, Jr., son of the Buffalo general agent of the Prudential, is one of the authors of the Mask & Wig Club's "High as a Kite," annual production of the University of Pennsylvania drama group.

John A. Risk of Fargo, N. D., state manager North American Life, and Mrs. Risk celebrated their 57th wedding anniversary Dec. 20. This year also marks their 50th year of residence in North Dakota. Mr. Risk joined the North American Life in 1910 and has been in Fargo since 1919.

H. J. Diefendorf, assistant treasurer of the Mutual Benefit Life, and **R. G. Mowell** of the new business department have completed 45 years of continuous service with the company.

Roy Omer, Salina, Kan., local agent and general agent of United Benefit Life, has been installed as a lieutenant governor of Kiwanis for the Missouri-Kansas-Arkansas district.

The two sons of **Irving I. Held**, veteran producer of the Northwestern Mutual Life in Richmond, Va., who also have had considerable experience with the company in a similar capacity, spent the Christmas holiday with him. They are **Capt. Lewis I. Held**, now assistant professor of military science and tactics at Penn State College, and **Captain Irving I. Held, Jr.**, now assistant post quartermaster officer at Camp Upton, L. I. The latter was formerly with the Recht agency of the Northwestern in New York. **Lewis I. Held** was formerly with **W. T. Nolley** agency in Richmond.

Hiram Hegna, Milwaukee supervisor National Guardian Life, is the nation's outstanding southpaw bowler, according to a recent compilation by the American Bowling Congress. At the 1940 ABC meet in Detroit, in nine all-events games, Mr. Hegna connected for 1,850 with a heavy 697 doubles slam.

DEATHS

T. A. Colburn, for years special agent at Lincoln, Neb., for the Mutual Life of New York, died in an Omaha hospital, where he had been under treatment. Since his retirement he has been writing a text book on life insurance.

Ed. F. Dougherty, 48, Seattle attorney and general agent of the Bankers Union Life of Denver for the past 10 years, died in a Seattle hospital from influenza. He went to Seattle 10 years ago from Omaha, where he was general counsel for the Federal Land Bank and held a teaching post in the law school of Creighton University.

F. A. Chamberlain of Minneapolis, who died the other day, was born in Bangor, Me. in 1855. He was educated at the University of Minnesota and was engaged in the banking business throughout his life. As a public service in 1905 Mr. Chamberlain was induced to go on the board of Northwestern National Life, about whose condition the insurance commissioner had become alarmed. The company had been organized 29 years earlier as an assessment company, had become a mutual legal reserve company in 1900, had taken over several other assessment companies and by 1905 had become in serious condition. **W. J. Graham**, then a young actuary in Louisville, now vice-president of Equitable Society, was secured as actuary and the company was reorganized on a sound basis.

William P. Allan of Hardy Road, Fairyland, Lookout Mountain, Tenn.,

died at the Erlanger Hospital after an illness of several weeks. Mr. Allan succumbed to a relapse following an attack of influenza. He is survived by his widow, Elizabeth, his mother and father, Mr. and Mrs. W. B. Allan, and a sister, Mrs. Wilbur Creighton, Jr., of Nashville.

Mr. Allan was a native of Nashville. He graduated from Wallace University School and Vanderbilt University, after which he spent six years in the general insurance and bonding business in Nashville. He was later associated for several years with **Glore, Forgan & Co.** of Chicago and New York, and shortly over a year ago joined the local field organization of Volunteer State Life with which he was connected at the time of his death.

COMPANIES

State National to Bid on Central States Life

ST. LOUIS—In addition to a tentative proposal from Kentucky Home Mutual Life for reinsurance of the Central States Life, **Cornelius Shea**, president State National Life of St. Louis, has announced that his company plans to submit a reinsurance contract to Superintendent **Lucas**. A group of St. Louis men are expected to put up \$400,000 to \$500,000 additional capital to back the State National Life offer. It will seek a reinsurance management contract covering Central States Life policies. Its profit would come only from a fixed fee for the management of the policies; none from management of Central States Life assets.

Mr. Shea points out that the interests of the Central States Life are largely

Chicago Man Appointed to Supervisory Post



W. N. STAFFORD

W. N. Stafford, Chicago branch manager of Occidental Life of California since early in 1939, resigned to become a home office supervisor of that company with headquarters in Los Angeles. He has had about 20 years' life insurance experience, formerly for two years being an agent of the old Illinois Life, then district manager and later general agent in Chicago. His agency was the largest in paid volume and premium total when Illinois Life ceased operations in 1932. The next year, Mr. Stafford was appointed manager by Northwestern National in Chicago, building a full time agency force of 27 men and securing \$12,000,000 paid volume in five years. He opened the Occidental Life's One LaSalle Street office in 1939.

local and a large portion of its assets consists of valuable St. Louis property.

Report Given on Prudential Exam.

NEWARK—The report on the triennial examination of the Prudential has been made public by the New Jersey insurance department. It took approximately 15 months to make the examination which is the first of its kind for the Prudential under the zone plan of the National Association of Insurance Commissioners.

As of Dec. 31, 1939, admitted assets totaled \$4,021,745,646 and capital and surplus, \$80,590,840. The book value of real estate is set at \$217,198,973; and mortgage loans total \$1,000,545,430. In the last three years there was an increase of 79 percent in installment city loans, a decrease of 9.3 percent in straight city loans, and an increase of 30 percent in farm loans.

Policy loans and liens total \$318,760,466. Book value of bonds and stock is

set at \$2,284,740,190. Reserves amount to \$3,653,163,127, including contingency reserves of \$128,801,620.

May Start New Ohio Company

COLUMBUS—It is reported here that **T. R. Hendon**, colored, former traveling supervisor of the United of Chicago, will start a new company in Cincinnati, with offices at 3096 Gilbert avenue, to be known as the Associated Life, which will write life, health and accident. No application has yet been made to the Ohio department for a license.

E. P. Oertel 30-Year Man

E. P. Oertel, assistant vice-president, will have completed 30 years with Great Northern Life in Chicago Jan. 23. He was employed as an office boy in 1911 and handled various duties including making collections on a bicycle. He was advanced several times and in 1914 became assistant cashier at the home of-

Life underwriters as well as policy owners are interested in Strength, Security and Progressiveness.

Great Southerners are assured of—

STRENGTH

because their Company enters 1941 with continued substantial gains achieved through conservative management in all departments; and of

SECURITY

because their contracts are non-forfeitable; allow liberal renewal commissions; and are each made direct with the Home Office; and of

PROGRESSIVENESS

because their Company is inaugurating a personalized sales training program, beginning with the new man and continuing through advanced underwriting problems.

If interested address the Home Office at

401 Louisiana St., Houston, Texas



**GREAT SOUTHERN
LIFE INSURANCE COMPANY**

E. P. Greenwood, President

fice. In 1916 he was made cashier. After serving in the army, he returned to Great Northern Life in 1919. From then until 1924 he engaged in field work and then was brought to the general offices in Chicago as assistant to Vice-president John A. Sullivan. He was made assistant vice-president in January, 1940.

Sees Dividend for Shareholders

President E. S. Ashbrook of North American Life of Chicago, in a communication to stockholders, expresses the belief that the directors at the annual meeting of stockholders Jan. 21, will declare a dividend to stockholders. He states that new business during the first 11 months of 1940 exceeded by about 4 percent that for the same period in the previous year. Insurance in force and assets have increased substantially and the death losses are again low. The year's operating profit, he predicts, will compare favorably with the 1939 figure of \$91,252.

Increase Penn Mutual Assets

As a result of a zone examination of Penn Mutual Life, as of Dec. 31, 1939, assets were increased to \$738,973,115 and contingency reserves increased from \$30,944,702 to \$33,930,104.

COAST

Los Angeles Agencies Have Good Business Year in 1940

LOS ANGELES—Los Angeles general agencies enjoyed a good year in 1940 with practically all of them having equalled or exceeded their 1939 records. In the cases where the 1940 total has not exceeded the 1939 business the reason is the immense carry over from 1938 in the two opening months of 1939.

Among those agencies that are ahead for the year are: W. M. Hammond, Aetna Life; C. E. Cleeton, Occidental Life; Phineas Prouty, Jr., Connecticut Mutual; Kellogg Van Winkle, Equitable Society; J. H. Cowles, Provident Mutual; M. S. Trueblood, Union Central; W. G. Gastil, Connecticut General; George Quigley, Jr., Manufacturers Life of Canada; J. W. Yates, Massachusetts Mutual; F. M. McMillan, Penn Mutual; R. L. Hoghe, Equitable of Iowa; Harold G. Saul, John Hancock Mutual; H. D. Leslie, Northwestern National; and Murrell Brothers, Mutual Benefit.

Yates Agency Plans for 1941

LOS ANGELES—The annual planning meeting of the John W. Yates general agency of the Massachusetts Mutual Life featured talks by Barry Stephens, Hal Van Cleve, R. L. Woods, Worth Babbitt, Charles Edwards, John Curtis, and Asbury Bushnell, with Mr. Yates concluding the program.

Kellogg Van Winkle, Los Angeles manager Equitable Society, gave his talk of "Scotching Today's Hoodoos."

Mr. Yates accompanied by J. F. Stralen, San Francisco general agent, has left for Florida for a company general agency conference.

Van Winkle Agency Holds Party

LOS ANGELES—With 184 present the Kellogg Van Winkle agency of the Equitable Society held a holiday party here. A skit "How Not to Make a Medical Examination" was a feature. Rev. Cleveland Keihauer, Hollywood, spoke on the "Challenge of the Future for Life Insurance." Plans for 1941 were announced.

The agency won the football contest staged in the western department, with a score of 1,837 points as against 1,685 points for the M. H. Casey agency in San Francisco, which ranked second.

It takes will power to stay with your plan until it is carried through. But it is the only way to be successful.

Robson Is Resident Vice-president

George R. Robson, brokerage department manager in the Chicago agency of Connecticut General Life, has resigned



GEORGE R. ROBSON

and Jan. 6 becomes resident vice-president in charge of the Chicago branch office of Continental Assurance. His name will be presented to the directors at the annual meeting in February for election as a full vice-president.

H. A. Glasgow, who has been associated with the Continental Casualty-Assurance companies for 25 years, and whom Mr. Robson replaces, has resigned. For several years he has sought to be relieved of the responsibilities so that he could devote all of his time to his personal business.

Mr. Robson started in the insurance business in New York City, becoming a successful personal producer. He was named in 1927 by Connecticut General, as supervisor in New York City, assisting full time life agents and brokers in new business production.

In 1931 he was transferred to Springfield, Mass., as assistant to the general agent, in 1934, when a special brokerage department was set up in Chicago, he was chosen manager. Under his direction the department tripled its business over the last seven years.

Intensely practical, Mr. Robson holds to the conviction that there is no substitute for personal cooperation with the man in the field. His success in developing business is the result of actual field work and a driving initiative in creating practical sales methods in cooperation with personal producers.

Mutual of Canada Appointments

The Mutual Life of Canada has appointed James Crossland assistant manager of the King street agency in Toronto. E. L. Sears, assistant manager of the Hamilton branch, formerly agency assistant at the head office in Waterloo, has been appointed assistant manager of the Toronto Bay agency. E. S. Bringle, whom Mr. Sears succeeds, has been transferred to Ottawa as manager. W. Douglas Gray of Toronto King agency has been appointed manager of a new branch in St. Catharines, Ont.

Shurrocks Boireau's Supervisor

W. H. Boireau, Boston general agent Berkshire Life, has appointed A. O. Shurrocks as supervisor. He has been connected with the J. B. Clark agency of the State Mutual Life for 15 years and is a large producer.

Back of every salesman who keeps up with the times there is a business which keeps ahead of the times.

LIFE AGENCY CHANGES

Occidental, Cal., Puts McKeough in Charge

Alan E. McKeough, home office supervisor of Occidental Life of California in the midwest since last September, has been appointed Chicago branch manager, with the transfer of W. N. Stafford, who has held that post since early in 1939, to become home office supervisor with headquarters in Los Angeles. Mr. McKeough takes charge immediately.

He is past president of the Chicago Association of Life Underwriters and one of the best known life men in the city. He also is vice-president of the Illinois State Association of Life Underwriters and is active and well known also in National association affairs.

Has Had 21 Years' Experience

After world war service as an army lieutenant, Mr. McKeough in 1919 joined W. A. Alexander & Co., Chicago, first in the accident and health department and later becoming a leader in the life department. He was appointed a unit manager of the life department in 1935 and in 1938 was named Chicago general agent by Ohio National Life.



ALAN E. MCKEOUGH

Mr. McKeough started the agency from scratch and soon built to a leading position on a paid volume basis, with two of his agents ranking among the first 10.

J. E. Carnal, brokerage manager of Occidental in Chicago, continues in that post. G. N. Stafford, brother of the former manager, who has been in a supervisory post at Chicago, also continues in that capacity.

John Hancock Appoints Welsh in Kansas City

The John Hancock Mutual Life has appointed H. H. Welsh, Jr., as general agent in Kansas City, succeeding C. F. Schuster, who has joined the John Hancock's general agency in Los Angeles, in charge of the brokerage department.

Mr. Welsh who has been unit manager of the Kansas City agency since November, 1938, is a native of Missouri. He graduated from the University of Missouri and has spent



H. H. Welsh, Jr.

his entire business career in life insurance in Kansas City.

New Albany Manager for Phoenix Mutual Life

J. H. Clyne has been appointed manager of the Albany agency of Phoenix Mutual Life, and succeeds W. F. Howe



J. H. CLYNE

who has joined the educational department of Continental American Life.

Mr. Clyne joined Phoenix Mutual in 1936 as a member of the New Haven agency. The following year an outstanding job of selling and servicing earned him membership on the president's field staff of the company, and in 1938 he was advanced to supervisor. After graduation from the supervisors' school at the home office, he received valuable training in management as a supervisor in several of the company's larger agencies including Hartford, Baltimore, Detroit, and two New York agencies.

New England Mutual Names Cummings at Albany, N. Y.

The New England Mutual Life has appointed Robert L. Cummings general agent at Albany, N. Y. J. P. Hall, who has served as acting manager of the Albany office the past six months, returns to his duties as agency supervisor at



ROBERT L. CUMMINGS

the home office. The agency offices will be moved from National Savings Bank building to new quarters at 611 State Bank building, 75 State Street, Albany. Mr. Cummings is a native of North

Carolina. After studying architecture at North Carolina State College, he was in the ornamental-iron business in New York. He entered life insurance in 1933. Within three years after joining New England Mutual as an agent in 1933, he was made production manager of the Newark agency, a position he relinquishes to go to Albany.

Great National Names Two

New agency managers at Austin and Corpus Christi, Tex. have been named by the Great National Life of Dallas. J. S. Baldwin, who has been in life insurance for 22 years, has been named manager at Austin. Mr. Baldwin has been Austin manager of the Southland Life for the past seven years. Associated with Mr. Baldwin will be P. J. Rutledge, president Austin Association of Life Underwriters, who is retiring as manager to specialize in personal production. Ted Thompson, formerly with the Phoenix Mutual Life in Oklahoma City for 15 months, will also be with Mr. Baldwin.

G. C. McIlheran, who has been appointed manager at Corpus Christi, has been a personal producer in the Dallas agency for the last 11 years.

Thompson with American Reserve

F. C. Thompson, Fort Scott, Kan., has been appointed general agent for south-eastern Kansas and southwestern Missouri for American Reserve Life. He has been general agent for Central Life of Kansas and supervisor for the American Savings. Associated with him are his son, W. D. Thompson, who will act as district supervisor; N. W. Johnson and L. A. Givens of Fort Scott, and C. L. Calyton of Mapleton, Kan.

Hulbert Supervisor of Omaha Unit

C. L. Hulbert has been appointed supervisor of agents of the W. I. Black agency of John Hancock Mutual Life in Omaha. Mr. Black is on a leave of absence to serve as captain in the National Guard.

New Manager at El Paso For Bankers Life of Iowa



FLOYD SMITH

Floyd Smith of El Paso, Tex., has been appointed agency manager to succeed R. J. Williams by the Bankers Life of Iowa. Mr. Williams asked to be relieved of the agency management duties after more than 22 years in that position. He will continue as a producer. Mr. Smith has been with the Bankers Life since 1922 and has been a consistent producer.

Jack Cantrell of the El Paso agency, has been named agency supervisor. He has been with the Bankers Life since 1926. In 1931 he was named regional supervisor and served for a year and then returned to El Paso as an agent.

Pacific Mutual General Agent in New Orleans



ROY A. SCHRODER

Roy A. Schroder, who has had ten years' successful experience in the field organization of Pacific Mutual Life, has become general agent in New Orleans, with offices in the Hibernia Bank building.

As a member of the Paschall-Gist Agency in Los Angeles, Mr. Schroder led the company in production in 1938 and became president of the Pacific Mutual Big Tree Club for 1939. First entering life insurance in the middle west with Pacific Mutual, he moved to the Pacific Coast in 1936 and has qualified as a substantial producer each year.

Provident L. & A. Appointments

Holofcener & Blumenthal, Baltimore, have been appointed general agents for Provident Life & Accident in that city. E. A. Holofcener is director of the agency life department.

J. P. Hanks, Jr., has been appointed general agent for Provident Life & Accident in Miami. His life insurance experience dates back for many years and covers many field positions. He has served as cashier, agent, district manager and now takes on the job of general agent.

Fuller to Assist Hoghe

Blair Fuller, of the Russell L. Hoghe general agency of the Equitable of Iowa in Los Angeles has been appointed agency assistant. The appointment was announced at the annual agency meeting, following which agents were entertained at a buffet supper.

Harland Named at San Jose

Vaughan Harland has been named manager of Northern Life of Seattle at San Jose. He is well known in both Nevada and California.

NEWS BRIEFS

P. H. Grier of Cedar Falls, Ia., has been appointed general agent for American Reserve Life. He was formerly with Mutual Trust Life of Chicago.

Selman Allison, formerly with the Great Southern Life in Beaumont, Tex., has been appointed district manager there by the John Hancock Mutual Life.

A. Herbert Nelson is scheduled to become assistant manager of the life division of the Travelers in Minneapolis. He has been a supervisor in the office for some time.

E. E. Albrecht has been appointed general agent at Oshkosh, Wis., by the North American Life & Casualty. A. B. Hutchinson will work with Mr. Albrecht.

INDUSTRIAL

Equitable Life, D. C. Promotions

The Equitable Life of D. C. has announced several changes. G. M. Garrett assistant manager at Clarksburg has been named manager of the newly created Cumberland district. He started with the Equitable 10 years ago at Clarksburg and was promoted to assistant manager there two years later.

G. A. Flynn has been transferred from Clarksburg to Cumberland in charge of the Frostburg staff. N. Wilson has been promoted to assistant manager in charge of the new Mountain staff. Three assistant managers have been transferred: D. L. Smith from Frostburg to Brandywine staff at Wilmington, Del.; F. B. Flint to the North-view staff from the Weston staff and B. E. Light, from Morgantown to the Weston staff.

Union to Meet in Milwaukee

MILWAUKEE — The International Union of Life Insurance Agents, composed of industrial agents employed by the Metropolitan, Prudential and John Hancock, will hold its annual convention here June 13-14. The group, an

independent union without AFL or CIO affiliation, has locals in Milwaukee, Racine, Kenosha, La Crosse, Madison and Sheboygan, Wis., and members in other cities of Wisconsin, Minnesota and Iowa.

J. H. Jenkins Honored on 40th

J. H. Jenkins, manager Columbia district Equitable Life of D. C., in Washington, was honored on his 40th service anniversary. Three years after he joined the Equitable in 1900 he was sent to Wheeling, W. Va. as state superintendent. In 1924 he went to Cleveland as manager and in 1935 he was transferred to Washington. Mr. Jenkins was presented with a wrist watch by President H. P. Blair and a 40-year service emblem by Secretary A. C. Clark.

After months of international red tape, during which all sorts of legal documents traveled to and from Europe, requiring signatures from about everyone from the local notary public to Secretary of State Cordell Hull, Albert Burger, chief examiner of the Minnesota insurance department, on Christmas eve received a long promised inheritance from Switzerland. When he opened the ponderous-looking official envelope he found an elaborately engraved check for \$1.76.

Our New ARROW of GOLD POLICY Provides —

- 1—Low cost protection at less than term rates.
- 2—Selection of any renewal period (not less than five).
- 3—Renewal privileges any number of times until age 60.
- 4—Final renewal to age 70 (selection period ends at age 60).
- 5—Conversion privileges any time until age 70.

A liberal, flexible, low cost contract. Extraordinary first year commissions and renewals.

Illinois Bankers Life Assurance Company

MONMOUTH, ILLINOIS

Exceptional General Agency contracts in the states of Illinois, Iowa, Indiana, Ohio, Missouri and Kansas

LIFE • ACCIDENT • HEALTH

LIFE SALES MEETINGS

Great Southern Life Conferences

Over the year end regional conferences were held by Great Southern Life in Oklahoma City, at which all representatives in the state of Oklahoma were invited; at Baton Rouge for Louisiana representatives, and at Dallas, San Antonio and Houston for the



E. P. GREENWOOD

company's representatives in north, southwest and southeast Texas.

These one-day conferences opened with luncheon meetings, presided over by the company's local managers as chairmen: T. R. Wilson, state manager, Oklahoma City, assisted by C. A. LaRue, district manager, Tulsa; E. F. Webb, agency director, Baton Rouge, assisted by R. A. Norred, Jr., manager, Shreveport; A. C. Raines, agency director, Dallas; J. N. Fletcher, manager, San Antonio, assisted by E. D. Nolen, manager, Austin district; E. P. Horne, manager home office agency, Houston, assisted by J. F. Gilbert, Beaumont manager.

Present from the home office at all of the meetings were: E. P. Greenwood, president; F. D. Albritton, general sales director, and Sam R. Hay, Jr., director of sales training. Mr. Greenwood remarked upon the bright outlook for the life insurance business in 1941, and particularly on the favorable prospects in the southwest where Great Southern is concentrating its activities.

Mr. Albritton brought to the agents in attendance the company's plans for the new year. Mr. Hay explained in detail the new sales training program, which has recently been completed under his supervision and which will be available to both new and experienced representatives. The course will require three years of study and training supervised jointly by local managers and the home office, and satisfactory completion will equip the man in the field to handle the most difficult problems in the advanced phases of life underwriting.

The regional conferences were closed with a banquet to which, in addition to the field men, the office personnel of the local branches was invited.

Great National Schedules C. C. Day

C. C. Day, Oklahoma City general agent Pacific Mutual Life, will give a series of talks at the 1941 annual agency convention of the Great National Life of Dallas, at Navajo Lodge, Ruidoso, N. M., June 22-28.

Minnesota agents of the Northwestern Mutual Life will hold their annual conference in Minneapolis Jan. 20-21.

Hold New England Mutual Meet in Fla.

HOLLYWOOD, FLA.—The annual meeting of the General Agents' Association of the New England Mutual Life will open here Jan. 6.

Seventy-five members will attend the four-day conference to be devoted to discussion of the responsibilities and problems of general agency management under present conditions. The program will include, in addition to formal meetings, panel discussions and seminar groups on sales topics, the expanding field of pension trusts, and supervision.

Thurman to Preside

E. B. Thurman, Chicago, president of the association will welcome the members and also sound the keynote, "The Changing World from a General Agent's Viewpoint." George W. Smith, New England Mutual's president, will speak on "Your Responsibilities and Mine—Both Administrative," and Vice President George L. Hunt will talk on "Agency Objectives."

Other speakers and discussion leaders will include Linwood Butterworth, Richmond; C. F. Collins, agency secretary; C. P. Dawson and Isadore Freid, New York City; C. J. Frisbie, Seattle; R. R. Hays, Jr., Los Angeles; W. E. Hays, director of agencies; R. J. Lawthers, head of the benefit department home office; Horace Mecklem, Portland, Ore.; A. W. Moore, Philadelphia; G. D. Randolph, Cincinnati; M. G. Summers, Boston; H. G. Swanson, Chicago; D. W. Tibbott, director of advertising; W. B. Wagner, Harrisburg; and S. C. Woodward, Des Moines.

Guardian Managers to Meet in 5 Cities

NEW YORK—Guardian Life of New York will hold five managerial conferences this month. New York City managers will meet here at the Gramercy Park hotel Jan. 3-4. Eastern territory managers will meet Jan. 9-10 at the William Penn hotel in Pittsburgh. Agencies in this territory are located in Pittsburgh, Indianapolis, Cleveland, Buffalo, Rochester, Boston, Syracuse, Albany, Wheeling and Newark.

Managers from Denver, Fargo, St. Paul, Minneapolis, Chicago, Milwaukee, Detroit, Toledo, Davenport, Omaha and the Pacific Coast will meet at the Hotel Stevens, Chicago, Jan. 13-14.

Southwest Division in St. Louis

On Jan. 17-18 managers from Springfield, Mo., St. Louis, Oklahoma City, Tulsa, Fort Smith, Ark., Shreveport, Memphis, Kansas City, Evansville and Louisville will meet at the Hotel Statler, St. Louis.

The final conference Jan. 21-22 will be at the Atlanta-Biltmore hotel, Atlanta, and will include managers from Atlanta, Tampa, Jacksonville, Birmingham, Washington, Montgomery, Charlotte, Richmond and Baltimore.

Those attending from the home office will be F. F. Weidenborner, agency vice-president; G. L. Mendes, assistant superintendent of agencies, and J. C. Slattery, agency secretary.

Schnell Agency Winds Up Year at Sales Rally

The Frederick A. Schnell general agency of Penn Mutual Life in Peoria, Ill., which ranked sixth among that company's 85 agencies on 1940 paid production, will hold its annual agency meeting in Peoria, Jan. 3-4. E. Paul Huttinger, agency secretary, and W. J. Probst, manager salary allotment division, will be special guests from the home office. The agency has 25 full

time producers and 12 branch offices in downstate Illinois.

W. S. Porter, Champaign, was leading producer of the Penn Mutual last year in number of paid lives and led the Schnell agency in paid volume.

A dinner-dance will wind up the two-day meeting at which Mr. Schnell will be host to agents, their wives and personnel of the cashier's department. Mr. Huttinger will talk at the banquet.

Pearson Convention Jan. 17

R. W. Emerson, assistant director of agencies, and at least one other executive from the home office of the Northwestern Mutual Life will attend the annual convention of the Sam C. Pearson western Missouri agency in Kansas City Jan. 17. Mr. Emerson will discuss "The Problem of Selling the Young Man in Today's Market" and "Salary Savings."

C. M. Woodard, trade commissioner of the Kansas City chamber of commerce, will talk on "Challenge and Opportunities for 1941."

O. J. Arnold Makes Two Talks

O. J. Arnold, president Northwestern National Life, was scheduled to address a meeting of the White & Odell home office general agency in Minneapolis, Jan. 2, and a joint meeting in Chicago Jan. 3 of the R. J. Wiese and Cramsie, Laadt & Co. general agencies. He will discuss the Northwestern National's annual statement, which that company for a number of years has rushed to completion so that it can be distributed during the first few days of the new year. General Agent Wiese will have charge of the arrangements in Chicago.

Iowa Agents Hold Parley

DES MOINES—More than 50 Iowa agents of the Peoples Life of Indiana attended a meeting in Des Moines with O. C. Miller, Des Moines, in charge. A. C. Louette, executive vice-president, spoke.

MANAGERS

Wichita Managers Xmas Party

The Wichita General Agents & Managers Association held a Christmas luncheon meeting and party. O. L. Smith reported on securing the mid-year meeting of the National association for Wichita March 27-29, having attended the trustees meeting of the National association in New York. The general agents will give full cooperation in support of President Lee Wandling, Equitable Society, the general chairman. Most of the committees will be joint committees of the Wichita association and the managers association.

Pittsburgh Cashiers Elect

The Life Agency Cashiers Association of Pittsburgh has elected the following officers: President, H. P. Kinast, Pacific Mutual Life; vice-president, G. E. Phifer, Sun Life of Canada; secretary, D. M. Sheppard, Northwestern Mutual Life; and treasurer, K. G. Long, State Mutual Life.

N. J. Supervisors Plan Forum

The Life Agency Supervisors Association of Northern New Jersey will hold an "open forum" following the dinner meeting in Newark Jan. 21, with Herbert Marshall as chairman.

Holcombe to Speak in Pittsburgh

John M. Holcombe, Jr., manager Sales Research Bureau, will speak at a breakfast of the Supervisors' Club of Pittsburgh Jan. 23 and a luncheon of the Agencies Committee at noon.

Three on Chicago Program

At its Jan. 9 meeting, the Life Supervisors Club of Chicago will resume its original plan of having members discuss various phases of agency management. C. E. Lindstrom, Travelers, will

talk on "What Part an Assistant Manager Should Play;" Milton Feuer, Lustgarten agency Equitable Society, "Methods of Recruiting;" D. Miley Phipps, Parsons agency Mutual Benefit Life, "Developing Centers of Influence."

AGENCY NEWS

Merrifield Roundup Is Occasion for Rejoicing

The C. F. Merrifield agency of Connecticut Mutual Life at Portland, Ore., held its annual meeting in a most optimistic atmosphere inasmuch as the paid business for 1940 was 25 percent ahead of 1939 and was the largest in the history of the agency. The agency is taking on additional space in the Porter building, which is the third expansion in three years. During that period the annual paid business has increased more than 300 percent.

Chairman of the business meeting was Frank G. Jones, agency supervisor, who led the agency in paid business for the second year in succession. The principal speaker was Otto G. Hageman, general agent at Portland for the Burlington Railroad. Ralph Thom, assistant manager of Bank of California, was the speaker at the luncheon.

C. P. Williams, district manager at Eugene, was awarded a plaque as "most valuable associate in 1940." Ten turkeys and chickens were awarded to leaders for production during the preceding six weeks. T. R. Carey was the leading point winner.

Mr. Merrifield announced the promotion of Mr. Carey as agency supervisor and of Talmage Smith as assistant general agent. Mr. Carey graduated in 1938 from Portland University and has been second high man in the agency in paid business for the past two years.

Mr. Smith had been agency assistant. He has been in Portland four years, previously having been located in Chicago with Mutual Life. He is a past president and past secretary of the Life Agency Supervisors of Chicago and was formerly secretary and also a vice-president of the Chicago C.L.U.

Honor Veteran in Des Moines

DES MOINES—C. F. Payton will be honored by the Des Moines agency of Pacific Mutual Life in a production drive during January in observance of his 25 years of service.

C. I. O. Wants Policyholders Advisory Unit in N. Y. Dept.

NEW YORK—The executive board of the New York City Local of the C. I. O. Industrial Agents' Union has instructed its attorney to draw up a bill for introduction into the legislature providing for the setting up of a policyholders advisory bureau in the New York department. The draft will call for a \$50,000 appropriation, with the idea that part of it would be used for advertising. The union's purpose is to provide an impartial free source of information for policyholders and remove the temptation to pay fees to counsellors for advice. The union plans to seek the cooperation of the city and state life underwriters associations and the companies.

Agents, Department Men Guests

Representatives of the New York department and agents of all lines, numbering some 150, were guests of the legal firm of Powers, Kaplan & Berger, New York City, at a Christmas luncheon. Business talk was taboo and the spirit of the season was in evidence.

E. C. Weller, southern Indiana district supervisor Bankers Life of Iowa, will serve as a representative in the Indiana legislature. He has been in the insurance business 13 years.

NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

New York Life's 1941 Dividend Scale

While complete tabulations are not yet available, it appears that the New York Life dividend schedule for 1941 is a general readjustment with increases and decreases. The final result is that 20 year totals are slightly lower than the 1940 schedule in most all cases. Thus, the change ranges from slight increases at ages below 27 for the ordinary life to a decrease of about 8 percent at age 35 on the 20 year endowment. The new schedule, per \$1,000, is illustrated below:

Dividend End of Year Total
Age Pre. 2 5 10 20 20 Yrs.

Ordinary Life					
15	\$17.40	\$4.96	\$5.02	\$10.43	\$26.78
20	19.21	5.21	5.30	10.80	27.11
25	19.62	5.25	5.36	10.87	27.11
30	20.06	5.32	5.44	10.96	27.13
35	20.51	5.39	5.52	11.03	27.12
40	20.99	5.47	5.62	11.11	27.13
45	21.49	5.57	5.72	11.18	27.13
50	22.01	5.68	5.80	11.21	27.11
55	22.56	5.69	5.90	11.29	27.12
60	23.14	5.76	6.00	11.35	27.10
65	23.74	5.85	6.07	11.41	27.12
70	24.38	5.95	6.15	11.49	27.13
75	25.05	5.97	6.22	11.55	27.15
80	25.75	6.03	6.29	11.61	27.20
85	26.50	6.03	6.38	11.68	27.25
90	27.28	6.05	6.48	11.76	27.32
95	28.11	6.32	6.56	11.82	27.40
100	28.98	6.58	6.65	11.89	27.49
105	29.90	6.69	6.75	11.97	27.60
110	30.88	6.81	6.85	12.06	27.72
115	31.91	6.92	6.95	12.17	27.87
120	33.01	7.04	7.07	12.28	28.02
125	34.16	7.13	7.16	12.38	28.16
130	35.39	7.27	7.29	12.53	28.35
135	36.70	7.39	7.41	12.68	28.53
140	38.08	7.50	7.54	12.83	28.73
145	39.55	7.64	7.69	13.01	28.97
150	41.12	7.80	7.88	13.22	29.22
155	42.79	7.96	8.07	13.42	29.49
160	44.57	8.15	8.27	13.65	29.80
165	46.46	8.35	8.49	13.89	30.14
170	48.48	8.58	8.74	14.16	30.51
175	50.62	8.81	8.99	14.45	30.88
180	52.91	9.07	9.28	14.77	31.29
185	55.35	9.34	9.58	15.13	31.72
190	57.95	9.64	9.92	15.53	32.17
195	60.72	9.93	10.28	15.93	32.63
200	63.68	10.31	10.68	16.42	33.14
205	66.84	10.69	11.10	16.93	33.67
210	70.22	11.12	11.59	17.48	34.24
215	73.83	11.57	12.08	18.06	34.84
220	77.69	12.05	12.64	18.66	35.47
225	81.88	12.56	13.24	19.29	36.13

20 Payment Life					
15	27.34	5.83	6.12	11.72	26.03
20	29.39	5.84	6.43	12.13	26.24
25	31.83	5.87	6.81	12.52	26.68
30	34.76	6.27	7.29	12.86	27.03
35	38.34	7.28	7.71	13.22	27.55
40	42.79	7.99	8.16	13.66	28.24
45	48.52	8.54	8.74	14.35	29.21
50	56.17	9.34	9.63	15.36	30.57
55	66.69	10.47	11.00	16.91	32.30
60	81.60	12.46	13.12	19.34	34.80

20 Year Endowment					
20	48.48	5.85	6.68	13.35	11.96
25	49.33	5.88	7.13	13.78	12.32
30	50.43	6.28	7.85	14.20	12.72
35	51.91	7.29	8.72	14.61	13.19
40	54.06	8.20	9.22	15.07	13.74
45	57.34	9.26	9.76	15.67	14.41
50	62.55	10.17	10.56	16.53	15.32
55	70.81	11.26	11.75	17.83	16.55
60	83.82	12.95	13.63	19.94	18.49

Annuity End. Age 65 (Male) \$1,500					
20	33.98	8.10	8.31	16.67	40.55
25	39.09	8.63	9.09	17.43	40.16
30	45.86	9.33	10.01	18.21	40.32
35	55.19	10.70	11.07	19.29	39.74
40	68.55	12.23	12.53	20.93	35.12
45	88.89	14.13	14.99	23.94	22.38
50	122.87	17.09	19.61	29.66	...
55	189.72	23.58	29.36	42.32	...

*Total at maturity.

Continental Assurance Has Some Changes in Forms

Continental Assurance is distributing a new rate book which shows a premium reduction for the participating term to 60 and non-participating double protection to 60 forms at ages below 45, contains new non-participating plans, double protection to 65 and a triple protection providing \$3,000 to age 50, \$2,000

between 51-65, and \$1,000 thereafter with level premium throughout the life of the policy.

Retirement income now is written with the same premium rates for male and female, adjustment in income being made for females. Annual and single premium non-participating 10 year endowments are no longer in the rate book.

Elective annuity cash values after the first are reduced, monthly income per \$1,000 of cash value being unchanged. Extra premium for the term portion of the "family security" policy has been reduced and this may be attached to any participating or non-par policy of \$2,000 minimum and premium paying period sufficient to cover the term of the family security agreement.

Illustrative rates per \$1,000 for several forms are:

Non-Par.				Par.			
Dble. to age 60	Ins. with ret. inc. to age 65	term to age 60	Ins. with ret. inc. to age 65	Dble. to age 60	Ins. with ret. inc. to age 65	term to age 60	Ins. with ret. inc. to age 65
Age	60	60	65	60	60	65	65
10	...	18.69	15.43	...	23.52	19.91	...
15	...	22.02	17.82	...	27.18	22.58	...
20	22.27	26.34	20.86	11.55	31.90	25.95	...
25	24.22	32.10	24.81	12.46	38.18	30.32	...
30	26.66	40.01	30.07	13.61	46.80	36.15	...
35	29.75	51.74	37.56	15.07	59.16	44.13	...
40	34.65	69.79	48.34	16.99	78.06	55.62	...
45	40.66	99.00	64.93	19.65	110.02	73.22	...
50	47.59	158.01	91.48	23.30	174.17	102.73	...
55	55.06	...	144.47	28.11	...	161.10	...

Equitable, N. Y., Fifth Year Dividends Are Shown

Recently Equitable Society announced revision of its fifth year special dividends. Below are shown the fifth year dividends on the new scale for 1941, including the special dividends:

Revised Fifth Year Dividends							
Age at Issue	Mod. Two Wh. Life	Ord. Life	20 Pay Year	20 Year End.	Opt. Ret. at 65	Ret. Inc. at 65	Male
20	\$11.04	\$11.67	\$12.78	\$11.97	\$11.70	\$11.35	...
21	11.17	11.80	12.90	12.18	11.84	11.52	...
22	11.31	11.93	13.04	12.38	11.99	11.68	...
23	11.45	12.08	13.18	12.62	12.15	11.87	...
24	11.58	12.23	13.34	12.84	12.31	12.05	...
25	11.74	12.39	13.49	13.07	12.49	12.25	...
26	11.92	12.56	13.67	13.33	12.68	12.50	...
27	12.09	12.74	13.85	13.59	12.89	12.74	...
28	12.28	12.93	14.04	13.85	13.09	13.02	...
29	12.48	13.14	14.25	14.13	13.33	13.04	...
30	12.69	13.36	14.46	14.42	13.58	13.32	...
31	12.83	13.51	14.60	14.65	13.76	13.56	...
32	12.98	13.66	14.76	14.89	13.97	13.86	...
33	13.15	13.85	14.94	15.15	14.20	14.14	...
34	13.34	14.04	15.13	15.42	14.45	14.52	...
35	13.46	14.15	15.24	15.61	14.63	14.82	...
36	13.48	14.18	15.27	15.72	14.73	14.59	...
37	13.48	14.20	15.29	15.83	14.83	14.81	...
38	13.52	14.25	15.34	15.95	14.98	15.11	...
39	13.55	14.30	15.38	16.08	15.16	15.45	...
40	13.51	14.26	15.33	16.09	15.25	15.75	...
41	13.45	14.19	15.27	16.10	15.35	16.15	...
42	13.39	14.16	15.23	16.12	15.50	15.69	...
43	13.36	14.13	15.19	16.15	15.69	16.15	...
44	13.33	14.13	15.17	16.18	15.92	16.73	...
45	13.33	14.13	15.16	16.22	16.22	17.47	...
46	13.34	14.14	15.15	16.26	16.57	18.90	...
47	13.31	14.15	15.15	16.28	16.99	18.18	...
48	13.33	14.17	15.15	16.32	17.50	19.52	...
49	13.30	14.18	15.14	16.33	18.10	21.22	...
50	13.29	14.19	15.12	16.31	18.82	23.43	...
51	13.49	14.37	15.28	16.48	19.84	...	...
52	13.64	14.56	15.44	16.63	21.05	...	...
53	13.82	14.74	15.57	16.75	22.49	...	...
54	13.94	14.91	15.71	16.87	24.25	...	...
55	14.35	15.31	16.06	17.20	26.64	...	...
56	14.98	15.95	16.66	17.74	...	...	...
57	15.62	16.63	17.28	18.32	...	...	...
58	16.32	17.34	17.94	18.93	...	...	...
59	17.04	18.11	18.65	19.57	...	...	...
60	18.14	19.21	19.70	20.53	...	...	...
61	19.34	20.38	20.82	21.59	...	...	...
62	20.57	21.68	22.06	22.75	66...	\$28.22	...
63	21.99	23.11	23.43	24.05	67...	30.27	...
64	23.48	24.66	24.93	25.45	68...	32.53	...
65	25.19	26.35	26.57	27.03	70...	37.74	...

Changes Insurance Annuity

Union Mutual Life is making some changes in its insurance annuities, for the first time differentiating in rates between males and females, the latter taking a rate five years older than for men,



National Defense

Precaution, Preparedness, Protection . . . The foundation of our National Defense as well as the very heart of Life Insurance.

As our Country builds up its system of defense, it becomes more and more evident that the morale of its people is of first importance—the high morale of individual and family the corner stone of sound government and national protection.

If you, as a Life Underwriter, are interested in holding the morale of our people at high standard and contribute your bit to National Defense, do so via Life Insurance protection. You will find it pays to be friendly with

PEOPLES LIFE INSURANCE CO.

"The Friendly Company"

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INDIANA

FORWARD!

INSURANCE IN FORCE
DECEMBER 31st, 1940
MORE THAN

\$820,000,000

INDUSTRIAL



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AMERICAN NATIONAL
INSURANCE COMPANY

GALVESTON, TEXAS . . . W. L. MOODY, JR., PRESIDENT

similar to the practice of many companies. The rates for this contract also are being increased, for age 35, male, being: Annuity of \$10 monthly income with \$1,000 of insurance, starting at age 55, \$82.21; at age 60, \$57.52; at age 65, \$43.01.

Prudential's New Dividend Scale for 1941 Given

Prudential has announced its new dividend scale to be paid this year. It is a revision involving a slight reduction at some ages and adjustment at other ages.

The reduction is much greater on the high premium forms. A comparison of age 35 shows an average reduction of approximately 8 cents per year for the modified 3; modified 5, 21 cents; 20 payment life, \$1.37; 20 year endowment, \$2.48. The new dividends per \$1,000 on a number of more popular forms at quinquennial ages are:

Modified Life 3					
Age	3	5	10	15	20 yrs.
20	\$3.00	\$3.05	\$3.19	\$3.36	\$3.64
25	3.29	3.36	3.53	3.82	4.24
30	3.68	3.77	4.07	4.50	5.05
35	4.26	4.39	4.84	5.42	6.16
40	5.10	5.31	5.92	6.71	7.70
45	6.31	6.60	7.44	8.50	9.82
50	8.03	8.43	9.57	10.98	12.68
55	10.50	11.03	12.57	14.40	16.75
60	14.01	14.75	16.75	19.28	23.38
65	19.08	20.02	22.78	27.39	32.83
70	26.34	28.14	32.42	38.88	47.81

Modified Life 3-20					
Age	3	5	10	15	20 yrs.
20	\$5.60	\$5.66	\$5.84	\$6.04	\$6.48
25	6.10	6.18	6.40	6.84	7.54
30	6.76	6.88	7.34	8.06	9.06
35	7.94	8.14	8.90	9.94	11.42
40	9.70	10.08	11.18	12.72	14.86
45	12.46	13.00	14.62	16.82	19.94
50	16.54	17.30	19.62	22.74	27.22

Modified Life 5					
Age	2	5	10	15	20 yrs.
20	\$2.45	\$2.49	\$2.50	\$2.59	\$2.79
25	2.50	2.54	2.67	2.83	3.03
30	2.55	2.62	2.76	2.94	3.16
35	2.67	2.82	3.03	3.27	3.57
40	2.92	3.16	3.51	3.88	4.31
45	3.33	3.68	4.19	4.73	5.34
50	3.98	4.50	5.15	5.88	6.68
55	4.97	5.75	6.68	7.71	8.88
60	6.53	7.69	9.01	10.51	12.24

Whole Life P. U. at 85					
Age	20	25	30	35	40
20	\$2.81	\$3.17	\$3.79	\$3.96	\$4.24
25	2.87	3.30	4.03	4.32	4.73
30	2.94	3.46	4.42	4.85	5.40
35	3.09	3.77	5.01	5.58	6.32
40	3.37	4.26	5.83	6.61	7.60
45	3.84	4.96	6.99	8.04	9.34
50	4.53	6.00	8.62	10.01	11.67
55	5.57	7.50	10.91	12.69	14.91
60	7.16	9.68	14.08	16.44	19.02
65	9.50	12.77	18.56	21.19	25.35
70	12.07	16.55	23.22	26.22	30.94

20 Payment Life					
Age	20	25	30	35	40
20	\$3.04	\$3.74	\$4.96	\$5.25	\$5.67
25	3.10	3.88	5.19	5.60	6.13
30	3.17	4.03	5.55	6.09	6.71
35	3.30	4.31	6.08	6.73	7.49
40	3.57	4.75	6.81	7.63	8.51
45	4.01	5.40	7.83	8.83	9.84
50	4.66	6.34	9.26	10.49	11.55
55	5.67	7.73	11.30	12.78	13.98
60	7.21	9.79	14.22	16.20	17.31
65	9.50	12.77	18.56	21.19	25.35
70	12.07	16.55	23.22	26.22	30.94

20 Year Endowment					
Age	20	25	30	35	40
20	\$3.31	\$4.44	\$6.38	\$7.02	\$7.82
25	3.34	4.48	6.45	7.15	7.97
30	3.37	4.55	6.62	7.39	8.17
35	3.47	4.74	6.95	7.73	8.52
40	3.70	5.08	7.44	8.30	9.05
45	4.10	5.61	8.24	9.18	9.86
50	4.72	6.48	9.47	10.55	11.07
55	5.69	7.79	11.36	12.61	13.00
60	7.22	9.80	14.18	15.88	16.58
65	9.50	12.76	18.48	20.82	22.13
70	12.06	16.53	23.15	26.17	29.16

Endowment at 60					
Age	20	25	30	35	40
20	\$2.89	\$3.39	\$4.23	\$4.48	\$4.84
25	2.93	3.58	4.61	5.00	5.51
30	3.10	3.86	5.21	5.76	6.40
35	3.31	4.32	6.12	6.81	7.58
40	3.70	5.08	7.44	8.30	9.05
45	4.36	6.26	9.47	10.31	11.24
50	5.49	8.31	12.77	14.08	15.35
55	7.87	12.86	18.56	21.19	25.35

*Total at maturity.

Endowment at 65					
Age	20	25	30	35	40
20	\$2.86	\$3.30	\$4.05	\$4.26	\$4.59
25	2.94	3.47	4.36	4.71	5.18
30	3.04	3.69	4.87	5.36	5.96
35	3.21	4.08	5.62	6.26	7.02
40	3.55	4.70	6.69	7.51	8.37
45	4.10	5.61	8.24	9.18	9.86
50	4.96	7.04	10.50	11.20	12.45
55	6.36	9.34	13.74	15.00	17.75
60	9.04	13.66	19.48	22.13	26.17

*Total at maturity.

10 Year Term					
Age	2	3	4	5	10 yrs.
20	\$2.70	\$2.77	\$2.84	\$2.91	\$3.25
25	2.74	2.80	2.88	2.95	3.32
30	2.77	2.85	2.94	3.02	3.52
35	2.89	3.02	3.14	3.25	3.96
40	3.15	3.32	3.51	3.69	4.72
45	3.62	3.87	4.14	4.42	5.98
50	4.35	4.75	5.15	5.59	7.97
55	5.51	6.12	6.74	7.39	11.04

15 Year Term					
Age	2	3	5	10	15 yrs.
20	\$2.71	\$2.78	\$2.91	\$3.26	\$3.50
25	2.75	2.81	2.97	3.36	3.60
30	2.78	2.88	3.07	3.60	3.89
35	2.92	3.06	3.33	4.12	4.57
40	3.20	3.40	3.83	4.97	5.70
45	3.70	3.99	4.62	6.27	7.52
50	4.47	4.92	5.87	8.52	10.32

Modified 20 Year Term					
Age	3	5	10	15	20 yrs.
20	\$2.26	\$2.27	\$2.30	\$2.35	\$2.49
25	2.37	2.39	2.44	2.60	2.88
30	2.60	2.63	2.80	3.09	3.54
35	3.06	3.13	3.44	3.91	4.63
40	3.86	4.02	4.52	5.26	6.40
45	5.19	5.44	6.21	7.35	9.15

Jefferson Standard Makes Revision of Some Rates

Jefferson Standard is revising premium rates for several non-participating forms. Settlement options go on a 3 percent guaranteed interest basis, with premiums and values adjusted for all plans of the income type, both par and non-par. The new annual premium rates per \$1,000 for several popular forms are:

Age	20	20 Yr. Opt.	20 Yr. Inc.	Ret. Inc.
10	\$12.42	\$19.53	\$42.21	\$18.41
20	15.20	23.12	42.56	26.06
25	17.09	25.28	42.82	31.76
30	19.54	27.92	43.22	39.69
35	22.73	31.27	44.09	51.40
40	27.09	35.49	45.50	69.00
45	32.73	40.59	47.82	98.70
50	40.48	47.11	51.80	158.57
55	50.97	56.02	58.32	135.07
60	65.37	68.31	68.31	135.07
65	86.23	86.23	86.23	86.23

Ohio State's Policy Has Flat Rate, Varied Benefits

Ohio State Life's new 35th anniversary special accident and sickness policy is issued on a rather unusual basis, with a flat premium of \$5 quarterly for all classes, the benefits being graded according to manual classification. It pays 12 months for accident total disability if unable to follow regular occupation; six months for confining illness beginning with first day with one-half non-confining for one month and 50 percent additional for hospital for one month, no waiting period. Air travel as a fare-paying passenger and on a regular commercial carrier is covered. The policy is renewable to age 60. The coverage provided for employed male risks, classes AA and A, is \$1,000 principal sum and \$75 monthly; B and C, \$1,000 and \$60; D, E and F, \$500 and \$40; female risks, AA, A and B, \$1,000 and \$50; C, D, E and F, \$500 and \$40.

To eliminate confusion in the agent's

mind in regard to classification, separate circulars have been issued for employed men in classes AA-A, B-C, D-E-F and women, classes AA-A-B and C-D-E-F, listing at the top of each sheet the occupations to which those particular classifications apply.

United Fidelity Life Is Increasing Its Rates

United Fidelity Life of Dallas is following the current trend of increased non-participating premiums. The increase is greater at middle ages with no change at ages below 20 on some plans. Select risk, endowment at 85 and some term forms are not affected by the change.

Premium Rates Per \$1,000					
Age	Ord. Life	Pay Life	20 Year End.	20 Year Coup.	Life Expec. Term
15	\$12.43	\$20.49	\$42.10	\$15.37	\$27.67
20	13.77	22.09	42.29	17.36	29.72
25	15.61	24.13	42.55	19.99	32.30
30	17.99	26.59	42.95	23.56	35.38
35	21.11	29.62	43.82	28.63	39.15
40	25.28	33.63	45.24	36.10	43.81
45	30.95	38.85	47.65	49.50	51.71
50	38.57	45.45	51.70	66.98	67.86
55	48.98	54.33	58.33	87.31	86.20
60	63.68	67.48	69.29	112.10	112.10

Travelers Makes Restrictions

Travelers Jan. 1 discontinued the retirement income at 55 and 60 contracts and also the annual premium elective annuity. New single premium immediate life annuity rates on an increased basis will be announced. The limit of single premium on any one life will be \$25,000. Rates are also being increased on single premium life and endowment contracts. The limits on these will be \$25,000 of insurance, except for single premium endowments running for less than 20 years, on which the maximum limit will be \$10,000 of insurance.

New Single Premium Annuity Rates

Directors of the State Mutual Life at their last meeting adopted new single premium annuity rates effective Jan. 1. The change in rates is due to a change in the interest assumption from 3 percent to 2½ percent. There is no change in the mortality basis.

Beneficial Life Increases Dividends

The Beneficial Life of Salt Lake City is making an increase in dividends for 1941 except where policy reserves are relatively high. Early policy years show an increase in practically all cases.

Prudential Shifts in South

Prudential has transferred Robison Brown, Jr., manager of the Jackson, Miss., ordinary agency, to succeed the late J. E. Sebrill as manager at Charlotte, N. C. G. W. Carter, assistant manager since 1934 at Jacksonville, Fla., succeeds Mr. Brown at Jackson. Mr. Carter is a graduate of Georgetown university. Before going into the insurance business in Jacksonville he was division passenger agent of the Southern Railway.

New Committees of Bar Group's Insurance Section

Announcement is made of the 1940-1941 committees of the section of insurance law of the American Bar Association by the new chairman, Howard C. Spencer of Rochester, N. Y. This year's vice-chairman is J. S. Lewis, Ponca City, Okla., and secretary, C. F. Robinson, Portland, Me.

Herman L. Ekern, Lutheran Brotherhood, Chicago, is chairman of the fraternal law committee; Moses G. Hubbard, Jr., Utica, N. Y., is vice-chairman.

Chairman of the committee on health and accident insurance law is Oliver H. Miller, Des Moines. Pinckney L. Cain, Columbia, S. C., is vice-chairman.

Eugene Quay of Chicago heads the committee on insurance law practice and procedure which study the federal rules of practice governing trial and subsequent procedure. Wilbur E. Benoy, Columbus, O., is vice-chairman.

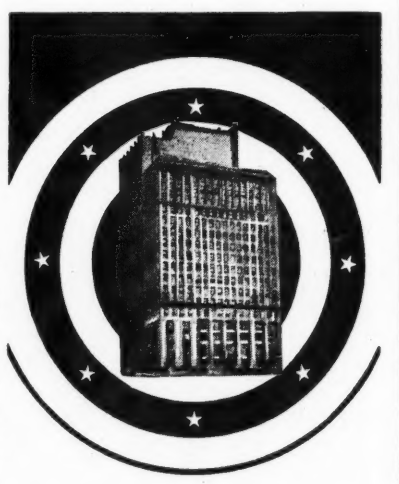
Ralph H. Kastner, American Life Convention, is chairman of the committee on life insurance law. Julius C. Smith, Jefferson Standard Life, Greensboro, N. C., is vice-chairman.

Lionel P. Kristeller, Newark, heads the committee on publications. John F. Hendy, Springfield, Miss., is vice-chairman.

The committee on qualification and regulation of insurance companies is headed by George W. Goble, University of Illinois; Samuel R. Feller, New York is vice-chairman.

Hervy J. Drake, association of Casualty & Surety Executives, New York, will serve as chairman of the committee to confer with the National Association of Insurance Commissioners. Allan E. Bromsmith, Travelers, Hartford, is vice-chairman.

Chairman of the committee on unauthorized insurance companies is Henry S. Moser, Chicago. C. H. Cashin, Stevens Point, Wis., is vice-chairman.



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THE HOME LIFE INSURANCE COMPANY OF AMERICA

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Home Life agents are equipped to serve every need for life insurance. Modern policies are issued, on both Industrial and Ordinary plans, from birth to 64 next birthday.

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PRESIDENT
Independence Square

Bernard L. Connor
SECRETARY

John J. Gallagher
TREASURER
Philadelphia, Penna.

Suggest How to Strike at Problem of Unauthorized Insurance Operators

Those interested in the problem of unauthorized insurance are studying the recent decision of the Indiana supreme court in *Karvasky vs. Becker*, 29 NE (2nd) 560.

The American Aid Association is an Indiana corporation located at South Bend. It was not admitted in West Virginia, but through one of its members or policyholders in that state a policy was written on the life of one George Howland, a resident of West Virginia, who became a member of the association by signing an application for membership and payment of the fee.

Howland died and Karvasky was the beneficiary. The association denied liability and refused payment whereupon Karvasky brought suit in Indiana against Becker and others who were officers and directors of the American Aid Association under a West Virginia statute providing that the agent of any insurer of another state which has not been admitted in West Virginia shall be personally liable on all contracts made by or through him, directly or indirectly, for such company.

In the trial, it was stipulated that none of the defendants had been in West Virginia, but on the theory the American Aid Association was an insurance corporation under the Indiana law and that it had transacted business in West Virginia without being licensed there, the Indiana supreme court sustained the right of Karvasky to maintain his suit.

In distinguishing some other cases, the supreme court finds that the defendant "caused the business to be transacted within the state of West Virginia . . . ; that they procured the solicitation of membership in West Virginia; that they executed the certificate and caused it to be delivered and the contract to be consummated within West Virginia."

Observers find that it is significant that the court included in the terminology of agent, officers of a non-admitted company which write a policy in a state in which the company is not authorized, although not personally in the state and did nothing except to authorize issuance of the policy when the application arrived.

Just how far a decision of this kind can be reconciled with cases like *Colgate vs. Harvey*, 296 U. S. 404, which holds that no state may interfere with the right of citizens of the United States to contract with each other, is a question in which there is a good deal of interest. Yet if the *Karvasky* case is sound law, it is pointed out that there seems to be a complete and adequate defense by the state against unauthorized insurance by the passage of a statute similar to the West Virginia law.

University Teachers Parley in Chicago

(CONTINUED FROM PAGE 3)

Later in the afternoon there was a very lively session when Prof. H. C. Havighurst of Northwestern University gave a paper on the question of federal control of insurance in which he did not advocate federal control but in which he did favor a federal life insurance security fund comparable to the Federal Deposit Insurance Corporation and certain other federal laws pertaining to life insurance. Sharp issue was taken on some of his conclusions by Rollin M. Clark, vice-president Continental Casualty and Continental Assurance, and Col. C. B. Robbins, general counsel of the American Life Convention.

The business session was held after dinner and at that time the resolution was adopted regarding the assistance to be rendered in setting up professional

standards for education in property and casualty insurance.

Taxability of Endowment Paid in Installments

The "Estate & Tax News" comments on the new ruling on taxability of proceeds of endowment insurance paid in installments or as an annuity. It says:

"Most endowment insurance policies provide for a cash settlement in a single lump sum, but permit the insured (or other owner of the policy) to elect to take settlement in installments over a designated period of years, or as a life annuity. As a result of a recent ruling (I. T. 2380), it appears that if the optional annuity or installment settlement is selected, the accumulated profit on the policy will not be taxed and an income tax saving will often be realized.

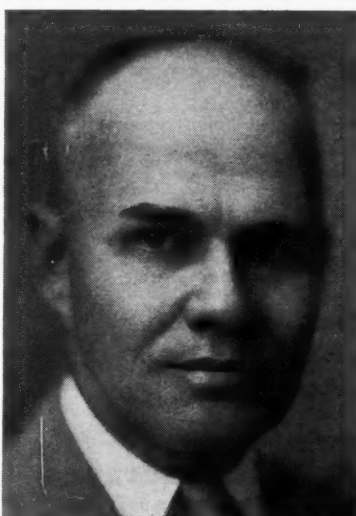
"The particular policy considered in the ruling involved an endowment policy which, prior to maturity, had been endorsed to provide for settlement in 120 equal monthly installments. In 1935 the policy matured, and in that year the company began paying monthly installments to the insured in accordance with this endorsement. At the time of the maturity, the insured, by exercising his right to elect a cash settlement, could have received 11x dollars more than he paid for the policy. Under an old ruling (G. C. M. 21,666), he would have been deemed to have constructively received such 11x dollars, and would have had to report it as income for 1935. But because of the change in 1934 in Sec. 22 (b) 2 of the law, which provides for the taxation of income from annuities and endowments, the bureau now holds: (1) that there is no constructive receipt of, and therefore no tax on, the 11x dollars of profit; (2) that the only income to be reported for 1935 is an amount equal to a 3 percent of the net premiums paid for the endowment, divided by 12 and multiplied by the number of monthly installments actually received during the year.

"The bureau did not expressly say whether or not the new rule applies in a case where the insured does not exercise his right to take settlement in installments until at or after the date of maturity. But based on the reasoning employed, the time when the option is exercised as long as it is in fact exercised before a cash settlement is received, would appear to be immaterial. 'The law as changed in the revenue act of 1934 and subsequent revenue acts with respect to the taxation of annuities will not permit the general application of the constructive receipt theory,' the bureau stated.

"A simple illustration will show the savings that are possible. Suppose that prior to the maturity of a \$10,000 endowment policy the insured elects to take settlement in 15 annual installments of \$810 each. Total premiums paid for the policy were \$7,000. Under the method of taxation heretofore generally believed correct, the insured would report a \$3,000 profit, and over the 15-year period would report additional income of \$4,500—total 'income' \$7,500. Under the latest ruling, no profit will be reported now, and over the 15-year period the total income reportable will be \$5,150—the actual amount received in excess of the premiums paid. Thus, by following the new ruling, there is a reduction of \$2,350 in reportable income, and perhaps an even greater proportionate reduction in the amount of tax payable because of the more equal allocation of the profit accumulated at the date of maturity.

"Taxpayers who have paid tax on the profit on endowment policies which matured in 1937 or later years (in most cases 1936 and prior years are now barred by the statute of limitations), and under which settlement was taken in installments or as an annuity, should consider the advisability of filing amended returns and claims for refund, based on this latest ruling."

Soon to Take Office as Neb. Insurance Director



C. C. FRAIZER

C. C. Fraizer will soon take office as insurance director of Nebraska. His home is in Aurora, Neb. He has already had a good introduction to the business, as he attended the recent midwinter meeting of the insurance commissioners in New York.

Group Life Hits New High With 16 Billion in Force

NEW YORK—Group life insurance in force increased by about \$1,225,000,000 in 1940, bringing the total to a new record of approximately \$16,000,000,000, it was estimated by President T. I. Parkinson of the Equitable Society in announcing the company's group honor roll.

For the Equitable alone, he said, group life increased \$150,000,000 to a new high mark of \$2,350,000,000 in force. The Equitable's total premium income on all forms of group coverage, including group annuities and hospitalization, was \$64,352,000, an increase of more than \$14,000,000 over the 1939 total. Sixty-eight representatives wrote more than \$1,000,000 or more each of group.

"A comfortable question to inject toward the end of the information-getting interview is, 'I'd be interested to know why you bought this last life insurance contract.' We may learn much about what motivated him to act before, and therefore what may cause him to say 'Yes' again."—T. G. Murrell.

RECORDS

Phineas Prouty, Jr., Connecticut Mutual Life, Los Angeles—Stood first among all agencies in gain in insurance in force as of Nov. 30 and ranks third in paid-for new business for the year to date.

Willard Ewing, general agent Provident Mutual, Chicago.—Increase of 22 percent in paid business in 1940 and November largest month since December, 1938. Exceeded quota for year.

Policy Wallets

Perfect for Remembrance Advertising!

Leather Policy Wallets

Black grained leather policy wallet with 7 envelopes inside. \$1 ea. or 75c ea. in doz. lots. De-Luxe quality, leather lined, \$1.75 ea. or \$1.50 ea. in doz. lots. Cash with order unless rated concern. (Cordless Sales Pac. 1-inch rings, inside zipper pocket, \$2.50.)

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ASSOCIATIONS

Announce N. C. Annual Dinner, Sales Congresses

GREENSBORO, N. C.—The North Carolina Association of Life Underwriters will hold its annual dinner meeting at Durham, Feb. 4, with Harry T. Wright of Chicago, national president, as guest of honor, it was decided at a meeting of the executive committee here.

Plans for the association's annual meeting in Winston-Salem the latter part of June and the spring sales congresses also were discussed. The sales congress conference will be held at Asheville, March 30; Charlotte, April 1; Greensboro, April 2, and Raleigh, April 3. J. S. Babb of Durham and George Elliott of Winston-Salem were named chairman and co-chairman respectively of the sales congresses. John R. Knott of Charlotte, president of the North Carolina association, was authorized to complete the program for the conferences, and W. H. Andrews, Jr., of Greensboro was instructed to obtain nationally-known speakers for the meetings. All are members of the executive committee. Mr. Elliott also was named chairman of the state committee on attendance.

Four New Illinois Units

Four new county associations are being formed by the Illinois Association of Life Underwriters, covering Iroquois, Grundy, La Salle and Effingham-Coles counties. Organization meetings will be held soon and permanent associations installed, according to F. A. Palumbo, Mutual Life of New York, Kankakee, state membership chairman.

Mass. Meeting in Worcester

The officers and executive committee of the Massachusetts Life Underwriters Association will meet with the officers of the nine local life associations in Massachusetts in Worcester Jan. 6 to discuss membership campaign plans and other problems. W. W. Hartshorn, manager Metropolitan Life, Hartford, will speak. W. H. Boireau, general agent Berkshire Life, Boston, will preside as head of the state association.

Chicago—F. L. McFarlane, personal producer in the Cleveland agency of Aetna Life, will speak on "What's the Top?" at the next regular monthly meeting at the La Salle hotel Jan. 24. He has been with Aetna Life since 1925, when he entered life insurance.

Vancouver, B. C.—G. F. Hagelstein, Great-West Life, has been elected president; Frank Frederickson, London Life and Ivan Robinson, Prudential, vice-presidents; R. A. Dorrell, Sun Life, secretary, and Cy Atherton, Mutual Life, treasurer.

Wichita, Kan.—A. N. Booth, manager Wichita chamber of commerce and former Massachusetts Mutual general agent, spoke on "Where Do We Go from Here?" J. E. Conklin, Hutchinson, president Kansas association, will speak Jan. 4. Plans for the mid-year meeting of the National association in Wichita March 27-29 will be discussed. The Kansas association will cooperate in every way possible. The annual sales congress scheduled for Emporia in April

has been cancelled in favor of the national mid-year meeting.

Beaumont, Tex.—A. E. Everett, Houston general agent Phoenix Mutual Life, spoke on organizing for greater effectiveness. A 13 week training school will begin Jan. 10.

Topeka—A "Million Dollar Round Table" meeting was held patterned after the sessions held at national conventions.

Dodge City, Kan.—A charter meeting will be held Jan. 11 attended by President J. E. Conklin of the Kansas association. Bert A. Hedges, chairman membership and extension committee of the Kansas association, spoke on "Social Security, the American Way" at the last meeting.

Oklahoma City—On Jan. 9, Carroll Day, general agent Pacific Mutual Life, will address a special meeting.

The Akron and Mansfield agencies of the Ohio State Life held Christmas parties which Frank L. Barnes, vice-president and agency director and Mrs. Barnes attended.

Title Insurance Companies

• The title insurance firms whose cards are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

COLORADO

THE TITLE GUARANTY COMPANY

H. Elliott Houston, Pres. Akzel Nelson, Exec. V. P.
"Home of London Abstracts"

Titles insured thruout Colorado.
Escrow Service—Loans—Abstracts

1500 Court Place—Denver

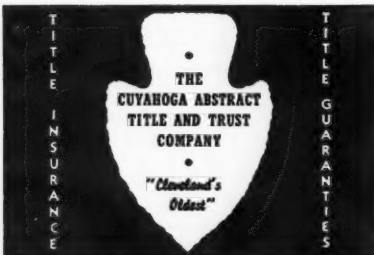
MISSOURI

Title Insurance Corporation of St. Louis

810 Chestnut Street
McCune Gill, Vice President
Qualified with Insurance Departments of Missouri and Eastern States

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Disburses construction funds and insures against Mechanic Liens

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AMERICAN FIRST TRUST CO.

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Under Supervision of State Bank Commissioner

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Complete Real Estate Service

• PROPERTY MANAGEMENT
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READ-STEVENSON & DICK INC.

Property Management
Sales—Leasing
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A. C. Read II R. Redding Stevenson
Charles E. Dick
109 South Main Street
LITTLE ROCK, ARKANSAS

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EQUITABLE TRUST COMPANY

600 GRISWOLD STREET DETROIT, MICHIGAN

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Property Management
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HAUGHTON JR. COMPANY

108 West Bay St. Jacksonville, Florida

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PURE PROTECTION LOW COST LIFE INSURANCE

Ordinary, Whole Life Policy Without
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Life Insurance In Itself Is Inexpensive
ESTIMATED AVERAGE ANNUAL COST
AGE 40 ... \$16.40
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33 Years of Dependable Service to Policyholders

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Cleveland, Ohio

LEGAL RESERVE FRATERNALS

Juvenile Department Growing: Williams

Growth and progress of fraternal societies depends upon the youth of America, upon teaching them the value of the fraternal life insurance system, N. J. Williams, president Equitable Reserve, comments in an article sent out by the National Fraternal Congress as a part of its public relations program. Mr. Williams says there are more than 1,000,000 members in the junior departments of the societies with approximately \$500,000,000 protection in force.

There has been a rapid growth in the junior department in the last 15 or 20 years which is proof there is a fertile field for fraternal salesmen in placing insurance on the lives of young people.

"The junior insurance as written on the lives of children by fraternal societies today," Mr. Williams comments, "became a reality because of a demand for life insurance for children at a fair price. The fraternal life insurance societies have blazed a new trail for the working men, business and professional men, so that they may secure protection for their children that is safe, without paying for anything except the actual cost of providing the protection plus a small expense loading to cover necessary administrative costs. This is one of the most important features found in the junior insurance as provided by our societies."

Valuable Educational Medium

A great service is being rendered to boys and girls in junior lodge meetings, he said, in the way of inculcating higher ideals of citizenship, obedience, loyalty, patriotism, love and service to parents, friends and the country. Fraternal field workers, he said, have found it a great asset to do a juvenile business since it helps to develop sales in the adult department; it is a good door opener for the field worker. Many of the certificates now sold by fraternal on young people are based on the term to age 16 or 18 plan at which time they convert into other forms of permanent protection. Some societies, in addition to the term certificates, write forms that do not require a change at any subsequent age. There are also the 20 payment life, 20 year endowment, endowment at ages 60 or 65, ordinary life and educational endowment at age 18.

Ben Hur Is in New Home

Newly remodeled home offices of the Ben Hur Life, Crawfordsville, Ind., have been opened to the public. The old home office was on the top floor of the five-story building, but has been moved to the first floor and basement. As the office staff has grown rapidly during the last few years, more space was required.

Ohio Forces Fete 50th Year

The 50th anniversary of the founding of the Standard Life of Lawrence, Kan., was commemorated at an all day meeting in Columbus, O. J. V. Sees, national secretary, was the principal speaker. R. O. Rayburn, state manager, presided.

Utah Congress Secretary Dies

E. H. Darling, W.O.W., secretary of the Utah Fraternal Congress for many years, died.

Report on Svithiod

The Illinois department has made an examination of the Independent Order of Svithiod, a fraternal at 205 West Wacker Drive, Chicago. The examination is of Dec. 31, 1939. Assets are \$1,617,574, legal reserve \$1,705,029, contingency reserve \$35,000. There is a deficit of \$162,449 making the ratio of

solvency 84.5 percent. The chief operating officer is Secretary Otto Hanson. It had premium receipts in 1939 \$101,315, total income \$327,763, benefits paid \$132,563, total disbursements \$219,075, insurance in force \$6,353,923.

Report on Knights of Pythias

The Illinois department has released its report on the examination of the Knights of Pythias, Illinois jurisdiction, 133 East 47th street, Chicago, a fraternal, as of Dec. 31. Its assets are \$17,701, legal reserve \$7,375, surplus \$9,708, ratio of solvency 146.07.

The Ohio general assembly at its coming session will be asked to provide for a fraternal insurance code.

C. L. U.

Panel Session Is Held by Los Angeles C. L. U. Chapter

LOS ANGELES — Los Angeles C.L.U. chapter, held a panel discussion led by Ron Stever, Equitable Society, and participated in by Horace Mickley and Warren Day, New York Life, on production and management.

In discussing "Planned Prospecting," Mr. Day said that 10 percent of sales success was dependent upon knowledge of the business, 20 percent on closing ability and the remaining 70 percent on planned prospecting.

The building of clientele includes every phase of life insurance selling, Mr. Mickley said. The agent must keep in touch with his clients; have a complete knowledge of his contracts; be active in organizations, and above all do a good job for the client so that he is satisfied.

Mr. Stever talking on "Work Habits and My Plans for 1941," said that it is necessary to visualize three objectives: measuring the job to be done during the year in detail, personal improvement, and review at the end of the year in order to record the accomplishments. Once the objectives are set up the work plan follows. Adequate prospecting requires special knowledge, automatic routine and effort to build prestige. Mr. Stever makes all his appointments by telephone. He writes 25 percent of his business in his own office.

Consideration was given better training of agents and the elimination of the unfit; renewal fees for servicing business so long as it is on the books; more evenly distributed renewal fees throughout the year, and that vesting of renewals be not eliminated unless some substantial benefit is substituted. A questionnaire covering licensing, compensation and retirement plans was answered by each member.

Reviews Situation Abroad

Harry Phillips, manager group department Sun Life, Detroit, vice-president of the Detroit C. L. U. chapter, addressed the December meeting on "The Present Status of Life Insurance and Life Insurance Companies in England and Continental Europe." His address was built upon an extensive survey of the situation and will be repeated at the Detroit sales congress in March.

Resigns for Navy Service

Sidney W. Souers, executive vice-president General American Life, has

resigned to devote his entire time to his duties as lieutenant commander in the navy. He had been in the U. S. naval reserve 11 years and was called into active service last July, being granted a leave of absence from his company duties. Now by reason of the increasing naval activity he has found it necessary to discontinue his service to the company as an active officer. He will continue to serve as a member of the board, a member of the executive committee and a voting trustee.

Ole Ivory Tells 'Em Off

Ole Ivory, a small-town philosopher has just gone to work for Illinois Bankers Life. The cartoon series is being drawn by Paul Stripe of the home office, and the homilies uttered by Ole Ivory are the creation of Hugh D. Hart, vice-president and director of agencies.

"Ole Ivory is a small-town character who has made a failure of everything he tackled, except that he has been a great

success telling others how to succeed," Mr. Hart said. All his sayings will have the strength of good common sense, as we apply it in our daily lives and in our insurance activities.

"For a four-flusher of the first water, show me the life insurance agent who can get 'em to sign applications but is a flop at getting them to sign checks," is one of Ole Ivory's home strikes. Another is "Lots of insurance men let down and quit producing after a campaign. Wonder what would happen to any army that gave up the sponge after each battle."

"A good plan is a good plan, but it helps the prospect and helps us only if he accepts it. Therefore, it isn't what we propose but rather what the prospect is ready to accept that counts. Information secured too easily or too quickly is poor groundwork for the presentation interview even though that information is fairly complete. The prospect must feel that he has given us something that he has confided in us."—T. G. Murrell.

1883

1941

FIFTY-EIGHT YEARS

ON JANUARY 5, Modern Woodmen of America will round out fifty-eight years of faithful life insurance service to members and beneficiaries. During this long period the Society has disbursed in excess of \$610,000,000 in death and cash benefits. All claims are paid with a promptness equaled by few life insurance organizations.

MODERN WOODMEN OF AMERICA has always fulfilled its mission of human helpfulness. It has disbursed thousands of dollars in cash for the relief of distressed members throughout the United States. More than 11,000 members have been treated free of charge at its tuberculosis Sanatorium in Colorado.

Life Insurance Protection for the Entire Family

MODERN WOODMEN OF AMERICA
HEAD OFFICE ROCK ISLAND, ILLINOIS



**A GREAT FRATERNAL
WITH
A GREAT RECORD**

AID ASSOCIATION for LUTHERANS

The largest legal reserve life insurance organization exclusively for Synodical Conference Lutherans.

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Appleton, Wisconsin

Otto C. Rentner, Vice-Pres.
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THE WOMAN'S BENEFIT ASSOCIATION

Founded 1893

A Legal Reserve Fraternal Benefit Society

Bina West Miller

Supreme President

Frances D. Partridge

Supreme Secretary

Port Huron, Michigan

Bill May Stymie Guertin Proposal

(CONTINUED FROM PAGE 3)

render charge at the end of 10 years. Through compromise this was modified so that the surrender charge disappeared by the 15th year. However there were objections even to this proposal on the part of the companies and Superintendent Pink appointed the departmental committee to make specific recommendations. Since the Guertin committee proposal would permit surrender charges throughout the duration of an ordinary life policy there would seem to be little possibility of its being adopted in New York.

Effect of Guertin Proposal

The Guertin report is based on 3½ percent interest and the Illinois preliminary term basis of reserves. No specific mortality table was mentioned, but discussion of it has assumed that the American Men Ultimate table would be used. While the Guertin proposal is for a surrender charge of \$10 per \$1,000 for the first policy year, decreasing at the rate of \$1 for each succeeding policy year and being eliminated by the 15th policy year, the difference between this basis and a more conservative policy valuation basis produces a substantial surrender charge which will be effective throughout the life of the contract.

According to the views expressed by those pushing surrender charge reductions when the Piper committee had the question before it, they would be very far from satisfied with a plan which paid off withdrawing policyholders on any other basis than the amount of the policy reserve. They wanted the full reserve paid to policyholders withdrawing after the 10th year but while accepting the 15th year as a compromise it was obvious that they would have had little use for a plan which would have permitted companies to pay less than the full policy reserve from the 15th year onward. There has been nothing to indicate that they have since altered their views.

Efforts Viewed with Concern

Efforts to reduce surrender charges on the extreme basis that has been urged in New York are viewed with some concern because of the possible effect on smaller companies. This is similar to the criticism made by company officials of the Guertin committee proposal, their feeling being that the liberal surrender values it would demand would force the smaller companies not licensed in New York to raise their rates and be less able to compete with the larger companies.

Said President S. Z. Rothschild of the Sun Life of Baltimore to Mr. Guertin at the committee hearing in New York City:

"Certain expenses per unit are higher with the smaller companies and with companies operating under certain different conditions than with some other companies and if as you say, it is better to reflect that in the premium rate, then I say, if that is correct theoretically then from a practical standpoint it means a much harder job in competition and I see a gradual monopoly of business by the larger companies that can maintain their quoted rates as opposed to those companies that because of size or lack of size, let us say, have necessarily certain additional expenses which would have to be reflected in premium rates."

One possibility that has to be faced is that any state laws which resulted in putting the smaller companies at a competitive disadvantage as compared to the larger ones would play into the hands of those seeking federal supervision of life insurance. It is not difficult to imagine the uproar that would follow if any company should be forced to abandon the unequal struggle.



"I'll take a \$250,000 retirement policy, and I'll give you names of six friends who I know will, also!"

Progress in Two Educational Plans

(CONTINUED FROM PAGE 1)

an insurance course should be offered. There is no one on the faculty that is familiar with the subject but the dean gives the assignment to an instructor. This type of instructor should derive special benefits from the Huebner foundation, he observed.

In referring to the matter of college preparation for life underwriting, Mr. McCahan pointed out that there is a problem as to just what a college ought to do for men who are going into the insurance business. What preparation should be given and what avenue should be provided from the college into the insurance companies? It is important to avoid overlapping of training.

Mr. McCahan recalled that there are three committees working on the project. One is the committee of the Association of Life Agency Officers, the second is the committee of the American College of Life Underwriters and the third is a committee of the University Teachers of Insurance. Representatives of these three committees had a meeting Sept. 24, 1939 in Philadelphia.

Name Three Subcommittees

Mr. Loman stated that the committee of the Association of Life Agency Officers, which is headed by Grant L. Hill of Northwestern Mutual Life, has had three meetings since Sept. 24. Three subcommittees have been appointed. One of the subcommittees has been assigned to look into the matter of standards for the colleges; another subcommittee is pondering the question of selection of students and the third is exploring the question of standards for agencies and companies in training programs for this special group of college graduates. There is to be an important meeting of the subcommittees in February and Mr. Loman said that a definite announcement may be expected in the spring.

Mr. Loman appended some of his personal views which he said did not represent the consensus of the committee. He said that obstacles exist in get-

ting students to major in insurance with the view of entering that business. The students don't think much of insurance, particularly because of the turnover. Their parents don't believe that specialized college work is needed for a career in life insurance selling; there is no clear cut route into a permanent career in insurance from colleges and teachers hesitate to bring pressure on students to enter insurance.

Service Offered by Bureau

If it is decided to go ahead with the plan, Mr. Loman stated, there should be some central agency that would be charged with the responsibility of selecting the students at the end of their sophomore or junior years for majoring in the subject. He said that J. M. Holcombe, Jr., manager of the Sales Research Bureau, had offered the services of the bureau in that connection. The colleges, he said, should not undertake to teach techniques of the business. Too many general agents, he said, who are seeking to recruit college graduates, want the students to have teaching in sales techniques during their college years. What the colleges should provide is general background, he declared.

Division of Training

The insurance business, according to Mr. Loman would have to take care of the later training. An agreement would have to be made on the division of training as between the colleges and the insurance business. Specialized vocational training belongs to the insurance business, he declared.

If the plan is entered into, provision should be made for internship of the graduates under experienced supervision. There should be a minimum salary guarantee for 12 months. The group should be segregated during its period of training in the insurance business. General agents should not be permitted to squeeze other men into the group, as that would cause an unfortunate mixture. The college part of the scheme should be limited to schools that belong to the American Collegiate Schools of Business, he said. Mr. Loman contended that each student should be allowed to select his own insurance company and that this should be done not until the end of the fourth year of col-

lege. The companies would have to make a guarantee as to the number of men they will absorb each year.

Mr. McCahan said that agency executives will have to make a fresh approach to the question of recruiting. They will have to forget their old methods of recruiting and training. They must analyze what they expect from an agent who is to be a permanent, dignified representative. The men selected for this experience should have personality qualities that will enable them to come into contact with the public; they should have an understanding of their environment and what they are trying to do; an understanding of techniques to do it effectively and they should have contacts. If selection is limited, however, to those that excel merely in personality, then the insurance companies will be ignoring what the teachers want. It will be up to the colleges to give the student "the why," he said. It will be up to the insurance business to set up a training plan to supply the techniques and skills and to keep the men financed until they have had an opportunity to build up a clientele.

Mr. McCahan said that there is some difference of opinion among insurance executives as to what form of work the internship should comprise. One important executive is advocating that the graduates be placed in the cashier's cages in general agencies. This would enable the men to size up how the various agents operate and give a practical insight. Others feel that the men should be put directly into the field and should be segregated into units by themselves. Others advocate that the men be brought into the home office agency departments and moved around in various tasks.

Professor Dickinson suggested that the colleges have a voice in the preparation of aptitude tests. He said there is much dynamite in this question. He said that at the University of Illinois the percentage of jobs filled to demands for recruits is lower for the insurance business than any other line.

Mr. Loman took issue with this theory. He said that the aptitude tests should not be college sponsored. They would be given just as any tests are given by businesses to undergraduates to determine their fitness.

J. C. Cameron 30-Year Man

J. C. Cameron, vice-president and actuary, completed 30 years in the service of Great Southern Life the other day. He was presented with many flowers and gifts from the various home office departments. Mr. Cameron was born in Edinburgh, Scotland, and graduated from the University of Edinburgh. He started as an actuarial clerk with Caledonian Life of Edinburgh. Then he went with Scottish Metropolitan as chief actuarial clerk, serving until 1910 when he went to Houston as actuary for Great Southern Life. He was named secretary and a director in 1916 and became vice-president and actuary in 1919. There was an interval of about a year when he conducted a life insurance consulting service in Chicago with W. W. Chamberlain. Mr. Cameron is a member of the Scottish Faculty of Actuaries, a fellow of the American Institute of Actuaries and an associate of the Actuarial Society of America.

To Speak to Women's Division

Mrs. M. P. Miller, manager of the women's department of Penn Mutual Life in Kansas City, will speak on "Objectives for 1941," at the meeting of the women's division of the Chicago Life Underwriters Association Jan. 10. Miss Lulu Grenner, Massachusetts Mutual, chairman of the program committee, will introduce Mrs. Miller, and Mrs. Garland Kahle, Reno agency of Equitable Society, will preside.

Two agents of General American Life recently entered military service. Joseph A. Goodrich of Kansas City is in active service in the navy and Joe L. Hallonquist at Abilene, Tex., has reported to the cavalry at Fort Bliss.

Sales Ideas and Suggestions

C. P. Dawson Gives Hints on Selling Pension Trusts

NEW YORK—In making the approach for the pension trust sale it is better to avoid mentioning pensions and to tell the employer that "I'm talking about a new method of compensation," C. Preston Dawson, general agent of New England Mutual Life in New York City, told members of the New York City C. L. U. Chapter.

There are several methods of compensating employees, Mr. Dawson ad-

vised himself, if it is sole proprietorship. There are several ways of determining the amount of pension and how the premium shall be split. One is the "definite benefit" formula, under which the employee receives a certain percentage of his salary, for example 35 percent.

Second is the "purchase money" formula. The employee puts up a certain percentage of his salary and the employer matches this amount. For example, employees contribute 3½ percent of salary up to \$3,000 and 5 percent above that figure. Whatever pension this amount will buy is then bought for each employee. Under either type of plan the employee always gets out as much as he puts in if for any reason he quits the plan before receiving his pension.

"Stop, Look, Listen" Is Good Advice for Life Salesman

"Stop, Look, Listen," is a familiar sign of warning at all railroad crossings. H. L. Gundersdorff, agency organizer in the Newark branch of the Mutual Life of New York, asked whether it is not true that the path of every sale contains the same warning.

"It is a time when your prospect has something to say—perhaps a question or two—or maybe he desires to express his opinion on the plan you have submitted—or it may be something entirely foreign to the subject—but whatever it is—let your prospect talk.

"The art of listening is something every one should acquire and to the salesman it is absolutely necessary. Many applications are signed every day because the salesman, besides presenting his case, in an acceptable manner, knew when to stop talking.

"Each and every prospect you meet has some hobby or pet aversion and if you will let him tell you about it you will have accomplished the first and many times the most important step—that of selling yourself.

"The next time your prospect tells you he is not interested, assume agreement, and this will invariably cause him to elaborate on his reasons. If you will let him talk long enough you can use his statement as the basis for a new appeal. It has often been said that some salesmen talk themselves in and out of a sale but that is seldom true of modern salesmanship.

"Selling, after all, is the meeting of minds in which an agreement is the object. It is, therefore, logical that the salesman must know what his prospect is thinking before he can attempt to solve his problem.

"At your next interview, when you reach that part of it where your prospect desires to say something, it would

be well to stop talking, look for his needs and listen intelligently."

Reactions of Policyholders Present Food for Thought

The reactions of 227 readers of the "U. S. News" were reported to the Life Advertisers Association by A. R. Gould at the Washington meeting. The following results of a questionnaire are especially interesting from a public relations standpoint:

Have you received mail telling about the merits of life insurance? 77.3 percent yes. Did you find it interesting? 62.5 percent yes. Was it helpful in buying insurance? 40.8 percent yes.

The next three questions were answered by 197.

Without looking it up, about how many life insurance policies do you have? 4.7. What is the total amount of these policies? \$24,088.

In how many companies do you have policies? 2.9.

If in more than one, because 76 friends are agents of different companies, 59 desire for diversification, 76 just happened that way?

Do you feel friendly enough toward any of the agents to call them if you wanted more insurance? 173 yes, 20 no.

Do you receive annual statements from the companies? 175 yes, 29 no. Are they helpful and reassuring? 121 yes, 38 no.

Do you ever receive any other literature besides annual statements and notices that premiums are due? 101 yes, 84 no.

When they send the premium notice do they send a warm word to remind you how much you get for your money? Why you should not let the policy lapse, etc.? 106 yes, 86 no.

Do you think of life insurance as something personal? 156 yes, 47 no.

Do you think of the insurance company as a personal friend that is going to do something that you want done? 99 yes, 101 no.

Leaves Dividends with Company to Accumulate

A successful agent states that he has found it decidedly advantageous to advise his policyholders to leave their dividends with the company to accumulate and draw interest. Some agents want to give the policyholder the benefit of cutting down his insurance costs to the lowest edge and therefore suggest that he deduct the dividends from the premium. This particular agent, however, has found that in case a person thinks of lapsing his policy, the accumulated dividend acts as a real anchor. The policy holder perhaps does not know what his fund amounts to and he probably is very much delighted to learn what it amounts to. He has discovered that this is an excellent way to hold his business and keep it on the books. He always has an excellent argument for

allowing the dividends to accumulate and he adds that he has had very few lapse cases where this fund has been created.

Using Life Insurance to Cancel a Mortgage in Case of Death

Many agents do not approach prospects who have mortgages on their property, with the thought that a lien is always a dangerous sort of an instrument to hang over one. No man should bequeath a mortgage to his dependents. Government statistics now show that in this country there are about \$18,000,000,000 of mortgages on city homes and about \$7,000,000,000 on farms. There should be specific insurance taken out to pay off these mortgages in case of death. In the past it was the custom for a buyer to pay down quite a sum of money and therefore the unpaid debt could be gradually liquidated in a few years. Today in buying farms or city homes only a small payment is made and the balance is intended to be carried over for a period of 15 to 25 years.

This long term financing has encouraged, of course, home ownership. The purpose is to have the mortgage amortized so that it can be reduced slowly for a number of years. If, however, the mortgagor dies there may be a large unpaid balance. One only has to study the statistics to find that the unpaid principal remains high for a long time after the mortgage is issued.

Prospecting Check List

1. Do I carry a notebook or pad with me and write down every name or prospecting idea that comes to me? ☐
2. Have I approached my friends and relatives and made a straight selling presentation—or have I shied away from them because I hesitated to bother them? ☐
3. Do I make full use of the local newspapers? ☐
4. Do I keep my prospect file clean? ☐
5. Do I secure at least one prospect from each interview? ☐
6. Have I obtained every possible name from each of my policyholders? ☐
7. Have I used the family-tree method on every application I have taken, following up brothers, sisters, parents, etc., etc.? ☐
8. Do I work intensively within some business or industry where I have already made sales, where I know the business, or where money is being made? ☐
9. Have I followed down every possibility among those I do business with? ☐
10. Do I make it a point to secure two new qualified prospects every day? ☐
11. Am I taking full advantages of age changes for my prospects and policyholders? ☐
12. Did I get a personal introduction today? ☐

—H. D. Shaw in "BRASS TACKS."

"If we play solitaire with our prospect cards, play solitaire with our sales talks, play solitaire with our work plans, play solitaire with our program and proposed work, we are doomed to fail. The best planned sales talk, the best arranged office, the most complete prospect file, avail us nothing if we won't get out and expose ourselves to people"—H. P. Foust.

* * *

Make great plans, forever fight forward for their consummation. Do them, surmount them.



C. P. DAWSON

vised telling the prospect. First, there is paying a salary. Then, bonuses may be added. But this still leaves the individual employee's finances entirely in his own hands. His problem, however, is not just providing for a cash reserve to meet emergencies and life insurance in case of his death but also retirement when his usefulness has gone out the window.

Plays Down Tax Saving

It is better to subordinate the tax-saving angle, Mr. Dawson said. If that is the only appeal it is better to leave the case alone. However, there are many employers who have a feeling of social responsibility and are looking for a chance to discharge it. Pension trusts furnish that opportunity.

In addition there are economic benefits, such as good will from employees and from their friends, relatives and other contacts; peace of mind among employees, which causes them to work more efficiently; pensioning of older men gives an opportunity to promote younger, more aggressive men. For example, a New York bank which pensioned 700 men at half pay was able to save enough to compensate properly those promoted and take on the necessary additional staff.

While taxes should not be the primary appeal the agent would be remiss not to point out that the employer's pension trust contributions are a business expense and free of tax so that in effect the government is making a sizeable contribution to the plan. In one exceptional case this situation resulted in the government's contribution amounting to more than 90 cents out of each dollar.

The best plan is to have the pension trust administered by a trustee, usually corporate, subject to the advice of a pension committee of three or five appointed from the board of directors or the owner

FACT FILE INFORMATION

Ownership of Life Insurance

The WPA survey (1940) in Boston of principally under-average families showed 78 percent of the families and 68 percent of the individuals carried life insurance, one-third being on relief. Sixty percent of the relief families and 87 percent of those not on relief had policies. An average of 5 percent of total income was saved for insurance.

The Curtis Publishing Company's survey based on 1936 figures showed 83 percent of New York and 87 percent of Chicago families owned life insurance. The average owning life insurance in six other large cities was 81 percent and in 14 small cities 78 percent. In New York policyholders of all classes devote 7 percent of their income to life insurance, 6.5 percent in Chicago, 7.4 percent in six other large cities, and 7.1 percent in 14 small cities.

Favors Life Scheme Like FDIC

(CONTINUED FROM PAGE 1)

icism during the TNEC hearings of the fact that the companies were permitted to amortize certain rail bonds that were rated within the fifth group by one or more of the standard rating services, but which were selling in the neighborhood of 30 to 40. Superintendent Pink of New York in 1939 ruled that bonds, in addition to falling within the five highest rating groups, must have sold for at least 50 percent of par during the three months preceding Dec. 31. The insurance commissioners at their recent mid-year meeting in New York went even further in this connection. This is an illustration of the improvement made by supervisory authorities as a result of the TNEC investigation, he said. Another illustration was the report of the committee on real estate valuations which provides a large measure of uniformity.

Cites Speed of Moratorium

Some say that insurance supervision by the states is slow and unwieldy, but the answer to that is the action that was taken by the state authorities in declaring a moratorium when the bank structure was crumbling in 1933.

State supervision, Mr. Clark contended, provides a local forum for policyholders. Complaints and inquiries could not be treated nearly as well by long distance from Washington as from the state house.

Mr. Havighurst contended that no state government adequately can handle a life insurance security scheme. Although life insurance companies stood up much better than banks during the depression and something less than 1 percent of all life insurance policy obligations were permanently lost, even that 1 percent of nearly \$20,000,000,000 is no small sum "and there is no definite assurance that this record would be maintained in the future."

"A system for the insurance of life insurance, although in limited amounts," he said, "would make certain the preservation of public confidence in the institution of life insurance in times of stress and would practically eliminate the possibility of a run on cash surrender values.... There is no point in waiting until the horse is stolen before locking the stable door."

REMOVE SIZE TEST

Mr. Havighurst contended that such a plan would remove the competitive advantage which the largest companies now enjoy over the smaller ones through the tendency of the public to associate strength with size. This would minimize "the snowball principle of growth which I am sure is not wholesome from the standpoint of the national economy."

The companies in order to qualify for such insurance, would have to subject themselves to examination by the federal corporation. This, he contended, would provide an additional check on the business and might result in halting dishonesty in management "with the connivance of corrupt officials."

Mr. Havighurst apparently took at its face value the TNEC survey of industrial life insurance conditions in Boston and he subscribes to the theory that the low income group is being abused through the industrial life insurance system.

Although stating that he does not have faith that savings bank life insurance in itself offers a solution for the problem, he does believe that the system should be extended to other states. He observed that at the TNEC hearings a witness favorable to savings bank life insurance pointed to the low mortality rate among savings bank policyholders in Massachusetts. This helped to keep the net cost low, but Mr. Havighurst stated that it indicates that savings bank life insurance is not really meeting the

need. The lowest income groups do have a higher rate of mortality than the average and if the mortality rate is more favorable, it means that such insurance is not reaching the class to any considerable extent.

Cites Lobbies of Agents

Insurance lobbies, he contended, particularly the agents, have prevented passage of savings bank laws, except in Massachusetts and New York. Agents' organizations, he argued, would not have as much influence in Washington and it might be possible to have Congress enact a law providing for a system of life insurance to be operated in connection with federal savings and loan associations.

With the federal government cooperating in some or all of these ways, Mr. Havighurst stated, it is possible for state supervision to go on with increasing effectiveness. The legislatures and state executives must see to it that there is improvement in the administration of the insurance laws. There should be higher salaries for commissioners and members of the staff. The offices should not be mere political jobs. Mr. Havighurst spoke of Ernest Palmer, former insurance director of Illinois, whom he said gave the state the "most able and careful administration of the insurance laws in its history."

JOHN HANCOCK ISSUE

Mr. Havighurst referred to the fact that the National Labor Relations Board recently directed that an election be held to ascertain the representatives of the industrial agents of John Hancock Mutual Life at East St. Louis, Ill., and Hoboken, N. J., for purposes of collective bargaining. He said that this decision has produced the belief that it involved holding that the insurance business is "interstate commerce." However, he contends that the view of the labor relations board is not that insurance is "interstate commerce," but rather that the operations of John Hancock are so closely connected with other interstate activities, that any disruption of its business by reason of labor difficulties would affect "interstate commerce." This is in line with many other decisions giving the board jurisdiction over labor disputes in a local business and the principle has been affirmed by the U. S. Supreme Court in the Commonwealth Edison case.

The order of the board in the John Hancock case is not reviewable, but other orders in the future may be reviewable and may come before the court. If this should occur, it is possible that the argument might be advanced that cases like Paul vs. Virginia should be overruled. Mr. Havighurst expressed the opinion, however, that even the present Supreme Court will not accept such an argument and that the basis of state jurisdiction is safe from "juristic" hazard.

Sees Another Avenue

Mr. Havighurst stated that federal jurisdiction is by no means dependent upon a holding that the insurance business is "commerce." More and more in recent years congressional enactments, operating directly in fields not in themselves the proper subject of national control, have been upheld because they afford protection for activities that are entrusted to the care of the national government by the constitution. If Congress should choose to exert its power in this respect together with its power over the mails to the maximum, state supervision would be superfluous.

Although there are no serious legal impediments to national control, if that should seem advisable, the question of state vs. federal supervision is one that must be decided on its merits, he said.

He contended that the argument for a complete system of federal regulation at present is extremely weak. It would be a tremendous undertaking. It would not be advisable under normal circumstances and should not be undertaken when all

the energies are needed for national defense.

State regulation today is as effective as at any period in the past, he declared. Federal supervision might be undertaken with a great deal of zeal at first, but this might have its disadvantages as well as its advantages.

The lack of uniformity in state laws does not constitute as serious a weakness of the state system as some suppose. A large measure of uniformity has been achieved with respect to important substantive regulation such as standard policy clauses and methods of valuation of policies.

The National Association of Insurance Commissioners has promoted cooperation and the leadership of New York state has been factor tending toward uniformity. He pointed to the fact that many companies do not operate in New York state, but voluntarily reduced their rate on policy loans to 5 percent when the New York legislature required companies operating in that state to take such action.

There has been some trouble with fly by night concerns operating across state lines and steering clear of all state control. Broad statutory definitions of what constitutes a transaction within a state have helped in suppression of such activity. Federal policing of mails and radio broadcasting has been effective in dealing with this type of racket.

Vigor and Integrity

The hazard of companies being subjected to whims of legislatures in 49 states is minimized by the operation of retaliatory laws.

However, the case for federal control rests mainly upon the charge of lack of vigor and integrity in state administration. The allegation is occasionally made that state supervision is so closely associated with company management that it has become impotent. That has not been true in the more important insurance states within the last five or 10 years. However, federal administration has not always been free from weakness or even corruption. The views that one might hold on the honesty and efficiency of an incumbent administration are beside the point. Throughout the history of this country, federal government has shown less of a tendency to maladministration than state government, but that would have no bearing on the issue unless one were disposed to argue that state government should be abolished entirely.

UPHOLDS TNEC PROBE

Mr. Havighurst stated that he is not in sympathy with the criticisms that have been made with respect to the conduct of the TNEC investigation. The examining attorney had to act as a prosecutor. The TNEC hearings have accomplished a tremendous amount of good in bringing various evils and weaknesses into the open and focusing attention upon them.

Anti-Trust Laws

One line of attack pursued at the hearings did not impress him, Havighurst said. That was the attempt to make the competition among the companies appear to be stifled by inter-company agreements and understandings with respect to group insurance, annuity rates, surrender values and charges, settlement options and medical examinations. The policy of the anti-trust laws has only a limited application in the insurance field, he declared. In the life insurance business and in other fields of insurance, there is no place for the marginal company, in that sense, or that failures now and then are wholesome. Because participating insurance dominates the life insurance field, there is room for spirited competition centering about anticipated net cost, extent of coverage, promptness in paying claims and stability. There is preserved a measure of real competition without sacrifice of security.

The TNEC investigation fell far short of indicating that state supervision has

broken down. It does show, however, that the companies still have a job to do, that state supervision can be improved and that at some point federal laws supplementing state supervision may be of great value.

Mr. Havighurst endorsed the idea of Superintendent Pink of New York that the use of the mails be denied to fly-by-night companies doing business across state lines which state laws cannot adequately reach. He also endorsed Mr. Pink's suggestions that the federal bankruptcy power be extended to cover insurance companies. The uniform reciprocal liquidation act that was designed to take care of the difficulties has not proved successful because it has been adopted in only four or five states.

ROBBINS' VIEWS

Col. Robbins said that to him the idea of insuring \$114,000,000,000 of life insurance is fantastic. He said that during the past few years, the government has embarked on a program of insuring nearly every sort of investment. These agencies sail along nicely in fair weather, but in the next depression, he predicted that it will cost the people millions in taxes.

"We are too prone to put everything in our federal government," he said, "forgetting that with responsibility goes power and a government which guarantees the fulfillment of all policies of life insurance must necessarily have a very complete measure of control over the investments of such companies." He said that total loss to policyholders by reason of liens placed upon their policies in companies which failed during the last 10 years is now only one-half of 1 percent of the total amount which the policyholders entrusted to the companies. This record is far superior to that of the national banks which were under strict federal supervision.

Benefits of State System

Col. Robbins recalled that the American Life Convention adopted a resolution Dec. 5, 1905, stating that it was opposed to any interference with state supervision and that federal supervision was not expedient. That resolution was reaffirmed in 1914 and again in 1939. Most members of the American Life Convention were young, western companies, many having been organized shortly before or after the Armstrong investigation. Such companies could never have been organized had there been a national law prescribing the standard of valuation then in common use throughout the east. In the west, the companies were permitted to write life insurance upon the preliminary term plan rather than the net level premium plan that was in use in the east. Time has proved that the preliminary term method as subsequently modified has been just as effective and safe as the method in force in the east. It was vital for the western companies to have state supervision in those days.

Would Change Entire Structure

Unless the tendency is stopped, the entire structure of the present union will have to be revised so that there will no longer be a union of sovereign states but one nation with states reduced to mere subordinate provinces bereft of their sovereignty, he declared.

Col. Robbins discussed Mr. Havighurst's remarks upon the self-perpetuating character of the directorate of the large mutual companies. Col. Robbins contended that such self-perpetuation is inevitable. The right of a policyholder to vote upon the selection of directors is a "gun behind the door" which he can use in the event of mismanagement but which no one can compel him to use and which he does not use unless he has reason to believe that his company is being mismanaged.

W. A. Reimers, former field supervisor and cashier for the Union Central Life has joined the Des Moines office of the Travelers. He recently completed a month's special training in Hartford.



TO THE KEEPER OF THE BUDGET

To the keeper of the budget, "joy" is an income of a dollar and an outgo of ninety cents, while "gloom" is an income of a dollar and an outgo of a dollar and ten cents. The saving of a surplus, however small, is the first step toward economic success. Saving through life insurance in a company such as the Massachusetts Mutual is simply buying a greater future good by a smaller present sacrifice.

Massachusetts Mutual LIFE INSURANCE COMPANY

Springfield, Massachusetts

Bertrand J. Perry, President

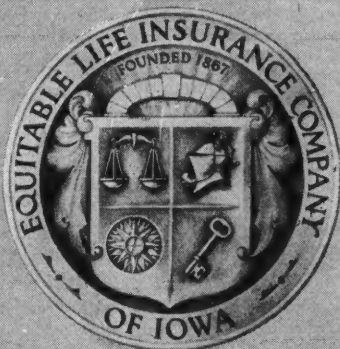


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THE EMBLEM of a strong, enduring life insurance company which for 73 years has adhered to principles of justice and friendliness. Well directed and soundly managed, the protection the Equitable of Iowa provides to policyholders and their families is

Outstanding by Any Standard of Comparison

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THE ULTIMATE FUNCTION

of any life insurance company is the prompt, courteous settlement of claims. We shall be pleased to have you compare our record of claim payment, for a third of a century, with any other which for that long has been excellent.



BANKERS MUTUAL LIFE CO.
FREEPORT, ILLINOIS

Founded in 1907



To celebrate the birthday of W. T. Grant, president Business Men's Assurance, a special one-day drive was staged by the sales organization. Here Mr. Grant (center) is surrounded by officers and department heads wishing him a happy birthday.



The L. V. Drury agency of the Sun Life of Canada in Philadelphia led the company's world-wide organization in 1940 for the second consecutive year. Ordinary paid business in December was in excess of \$750,000 with 14 agents producing better than \$25,000 each in a drive honoring W. S. Penny, director of agencies. The Charlap brothers who led the agency went to home office in Montreal to present a scroll to Mr. Penny. Left to right are: S. C. H. Taylor, superintendent of agencies; I. M. Charlap, W. S. Penny, director of agencies, H. M. Charlap and C. E. Reid, superintendent of agencies.



Illinois insurance department officials at National Association of Insurance Commissioners' annual meeting in New York: Lorenz Jost, chief examiner; Frank Young, assistant director; C. Hayden Davis, director, and Ray Haffner, actuary.



W. B. Monroe, Union Central Life, New Orleans, and Tom B. Reed, Great Southern, Oklahoma City, Million Dollar Round Table members held a "reunion" at a meeting of the Dallas Association of Life Underwriters while the organization's officers and directors looked on. Left to right, are: H. M. Roberts, Reliance Life, Dallas association treasurer and program chairman; R. M. White, Jefferson Standard Life, national committeeman; Ingram Lee, Union Central Life, director; Mr. Monroe, principal speaker at the luncheon; E. C. Stradley, Connecticut Mutual Life, attendance chairman; J. A. Monroe, Jr., Great National Life, Dallas association president; C. E. Seay, Southland Life, chairman legislative and by-laws committee; and Mr. Reed.



Employees of the Ohio National Life at Cincinnati dressed 150 dolls and donated a like number of toys to be given to youngsters at the Children's Home and the Hillcrest school Christmas.

The dolls were purchased by the officers of the company for this purpose and clothes for the dolls were made by the more than 100 women employees, many of them period and national costumes and included a large number of unique fashions. The toys were bought through contributions by the men employees.

In an appropriate ceremony the gifts were presented by Stuart J. Blashill, secretary, to J. B. Stuart, executive secretary Hamilton County Board of Child Welfare and Rev. B. L. DuVal, assistant secretary of the Children's Home.



Southern California members of the state legislature were guests at a dinner in Los Angeles of the California Association of Life Underwriters' southern district. Left to right at the speakers' table are: H. P. Van Horn, Santa Barbara-Ventura association president; J. D. Palmer, Orange Belt president; C. E. Cleeton, Los Angeles vice-president; Mrs. H. G. Saul, wife of the chairman; A. E. Payton, Los Angeles president; E. P. Fay, chief assistant insurance commissioner; J. R. Kellems, assemblyman and a

speaker on the program; G. H. Page, toastmaster and president of the California association; H. C. Saul, chairman and vice-president California association; Dr. R. M. Story, chief speaker and president of Claremont Colleges; Mrs. Kellems; H. D. Leslie, chairman life insurance committee chamber of commerce; G. C. Janney, San Diego president; Mrs. Fay; C. G. Moore, Pasadena president; G. R. Jacobs, Long Beach president; A. W. Robinson, Orange county president; Assembly Speaker Garland.